Bigger budgets or earlier buying pattern?

Network tv upfront buys may hit record

By COLBY COATES

New York—The 1982-83 network tv upfront marketplace appears headed toward a $1.7 billion-to-$1.8 billion payday, making it the biggest upfront market yet.

Estimates of last year's action range from $1.5 to $1.6 billion. What suggests that this marketplace will be a record-breaker is that the projections are coming from both sides of the negotiating table.

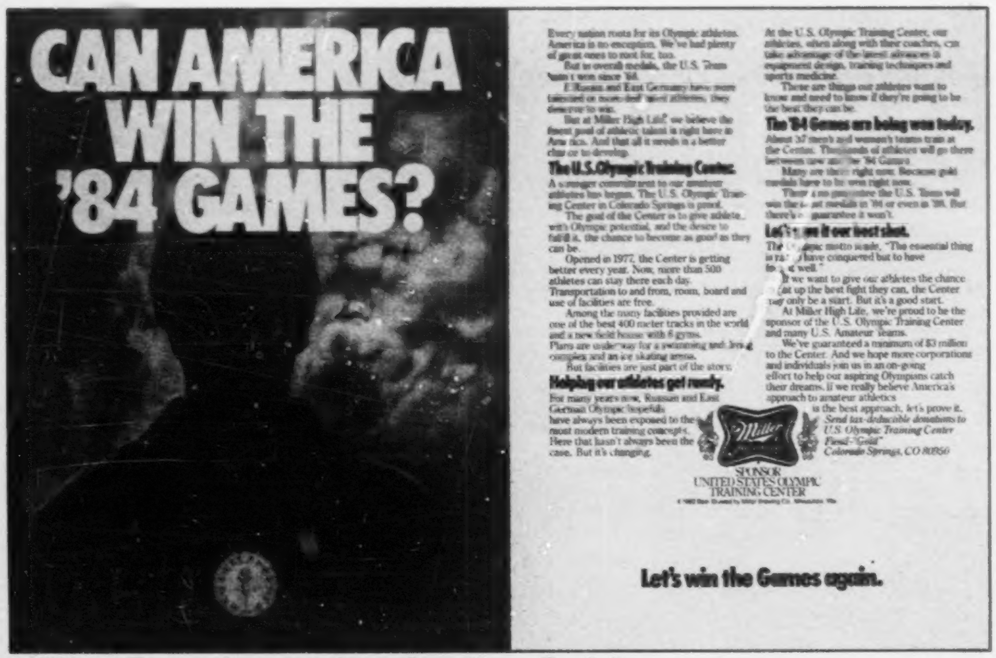
The budgets that have landed on agency and network desks thus far are uniformly higher than a year earlier. However, the important question is: Are advertisers prepared to spend that many more ad dollars than a year ago, or are they just committed to spending a greater percentage of their over-all budgets upfront to avoid the costly scatter market later on? Right now there is no clear-cut answer to the question, although the gut feeling, on the part of both agency and network execs, is that higher budgets loom.

For example, several major entertainment companies are reported to have boosted spending plans both for theatricals and various home entertainment games; automotive marketers also are reportedly checking in with bigger budgets. Even some conservatively managed package goods companies have come in with significantly higher dollars.

■ Reportedly, both ABC and CBS are opening their negotiating sessions seeking price boosts of up to 30%. Sources indicate that both will settle for 15% hikes over a year ago. NBC-TV's vp for national sales, Aaron Cohen, indicated that "flexibility" is the NBC buzzword. "We're prepared to go in and make any kind of deal the advertiser wants. If the client wants a homes assurance, we'll give it to him; if he wants demographics, we'll give him that, too."

Mr. Cohen also said that for the first time in several seasons, NBC "is getting a better shot at filling inventory across the week. It used to be, the way our Friday night was, I could only sell a six-day schedule." But with the attention its new Friday night entry, "Remington Steele," has received, along with the fact that "Matthew Star" apparently plays better as a Friday night 8 p.m. (ET) show rather than a 7 p.m. Sunday entry, things are looking up at 30 Rock.

Though several fairly significant upfront buys are in the final stages of negotiation right now, it appears as if the floodgates won't break until after July 4.#


CAN AMERICA WIN THE '84 GAMES?
The U.S. Olympic Training Center.
Helping our athletes get ready.
The '84 Games are being won today.
Let's give it our best shot.
Miller
SPONSOR UNITED STATES OLYMPIC TRAINING CENTER
Let's win the Games again.

Miller Brewing going for the Gold

Miller Brewing pushes for America's return to Olympics dominance in a new campaign designed to solicit funds for the Olympic Training Center. The print and tv drive will come out of Miller High Life's ad budget.

Miller opens up its Olympics run

By ROBERT REED

Milwaukee—As amateur athletes from all over the world prepare for the 1984 Olympics, Miller Brewing Co. also is warming up via a July campaign that will showcase its corporate sponsorship of the games.

The nation's No. 2 brewer will uncap a $15 million advertising campaign aimed at promoting support for the Olympic Training Center, Boulder Springs, Colo. Funds for the new ad drive are coming from the estimated $60 million budget earmarked for flagship Miller High Life beer.

Miller has guaranteed it will contribute a minimum of $3 million toward the running of the center.

The push centers on a competitive theme, "Let's win the games again," and three of its four 30-second commercials key on the rigors of preparing for Olympics competition, says Lauren Williams, exec vp of Miller.

The theme line underscores the fact that America has not won in over-all Olympic gold medals since 1938, and also advocates "a feeling of nationalism" to achieve that goal, Mr. Williams added.

But such altruism is not without its own competitive edge. Anheuser-Busch, the nation's No. 1 brewer and Miller's nemesis, is also deeply involved with the Olympics.

A-B recently entered into a $10 million agreement with the Los Angeles Olympic Committee and is beginning to employ that organization's symbol on its beer packaging. In addition, A-B has contracted with ABC-TV to sponsor the summer Olympic Games, and Miller High Life is the lone beer sponsoring the winter games in Sarajevo, Yugoslavia.

The first of the four Miller spots, entitled "Gold Medal," highlights the facilities of the Olympic Train-

(Continued on Page 88)

highlights

Monday, June 28, 1982

End the U.S. Postal Service's monopoly on first-class mail, Federal Trade Commission chairman James C. Miller III urges Congress. *See Page 6.*

Worried about allowing advertising on board, cash-strapped airlines nevertheless are considering what form would be most palatable to their passengers. *See Page 10.*

Direct-broadcast satellite pioneers hailed last week's Federal Communications Commission action setting rules for a dbs service as a sign they soon will be on the air. *See Page 14.*

The long-term outlook for business and pleasure travel is sunny, despite recent recessionary problems. *See Page 20.*

"Annie," up against "E.T.," "Star Trek II" and "Rocky III," got off to a lukewarm start. *See Page 30.*

New York enacts a beer and soft-drink container deposit law, much to the dismay of the two industries. *See Page 47.*

Trying to reinforce the fact that it is pursuing the word-processing market, Exxon Office Systems is blitzing the print media with a monthlong national image campaign. *See Page 50.*

Plans for reviving local advertising self-regulation are ahead of schedule, the American Advertising Federation reported *See Page 72.*

A 10-month-old Minneapolis shop, Fallon McElligott Rice, stole the Andy awards show, taking three. *See Page 76.*

Canada's economic slump is catching up with ad agencies there. *See Page 79.*

Ponderosa System starts its first major thrust outside the U.S., opening a steak house in the U.K. *See Page 81.*

Only 10 gold awards were presented by the Art Directors Club this year, down from last year's 26. *See Page 81.*

Lord Lew Grade, the British entertainment impresario, has joined Norman Lear's Embassy Communications as international chairman-chief executive officer. *See Page 89.*

Anheuser-Busch steps up diversification efforts by breaking into the wine market and nameing the first agency for its Eagle Snacks. *See Page 89.*

CORPORATE CLOSEUP

Clorox Co. is fine-tuning its diversification strategy, dropping some unsuccessful acquisitions and trying new ones. It also is fighting back against new challenges in its major business, bleach. *See Page 4.*

FOLLOWUP

Weetabix Co. gears up U.S. marketing efforts and introduces a new cereal. *See Page 12.*

INTERNATIONAL

No one is getting any work done as World Cup soccer captures practically everyone's attention in Latin America, to the satisfaction of the advertising community there. *See Page 42.*

VIDEOTECH

Believing it has an appetizing product, National Educational Media is offering films on food preparation to cable for advertiser sponsorship. *See Page 51.*

Paramount Home Video joins two other movie studios in getting into videogame cartridge marketing. *See Page 54.*

Information Resources' two-way ratings system tracks tv viewing so closely, it reflects channel switching during commercials. *See Page 54.*

International Jensen is taking its automobile stereo equipment expertise and putting it into the home entertainment business. *See Page 66.*

SPECIAL REPORT

100 Leading Media Companies are profiled and ranked by circulation and advertising revenues in this week's Special Report. This second annual report includes complete media property listings, miniprofiles of key personnel behind the companies and a reference index (Page M-8). *See Page M-2.*

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Ad impact study stirs questions

By STUART EMMRICH

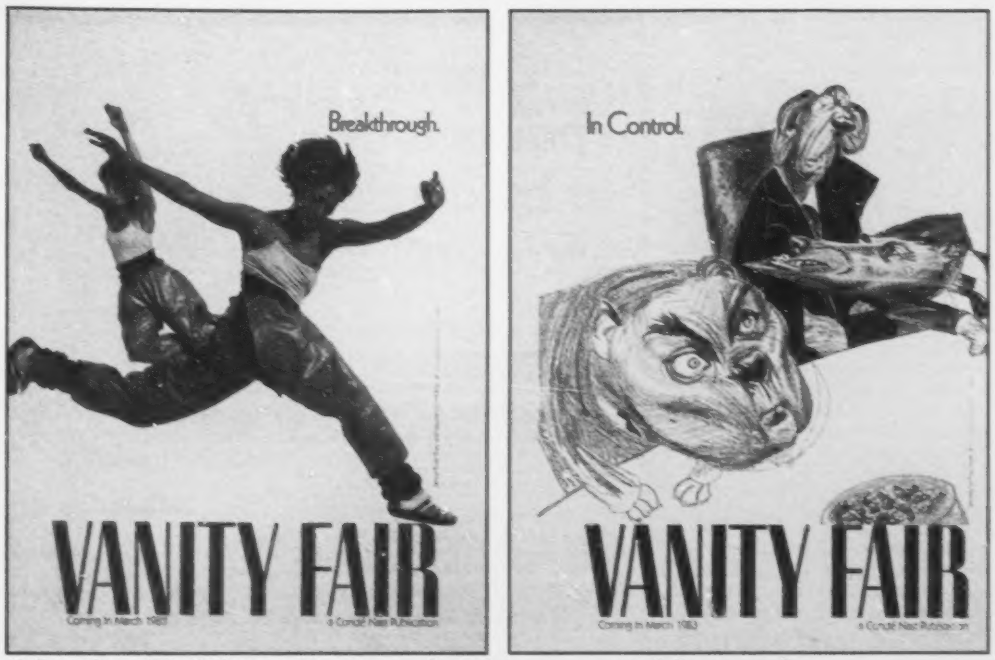
New York—More than two months before its official release, an exhaustive study on advertising frequency and its impact on consumer buying habits is generating widespread interest and controversy in the advertising community.

The findings of the three-year study, a Time Inc. and Jos. E. Seagram & Sons joint venture, challenge some long-held notions about advertising effectiveness. In addition, the findings attempt to set some general standards for print advertising campaigns (AA, June 21).

Perhaps the two issues to cause the most stir—Time Inc. execs said they had been inundated with calls about the study last week and ad agencies reported a keen sense of interest among clients—were those that touched on how many times an ad needs to be seen before it has impact and the validity of recall as a measurement tool.

■ Bill Behrmann, vp-media director, Ogilvy & Mather, Chicago, said the study would "cause people to rethink the entire issue of advertising frequency and its impact on

(Continued on Page 86)



'Vanity Fair' promotes by leaps and hounds

Vanity Fair breaks its ad campaign nine months before the first issue hits the stands in March. The first ads highlight four subjects that the Conde Nast magazine will cover: Literature, the arts (dancer Twyla Tharp is shown above), politics (above right) and popular culture. Leber Katz Partners is the agency.

JWT revamp merges N.Y., USA control

By FRED DANZIG

New York—A sweeping reorganization of J. Walter Thompson Co. has elevated chairman-chief executive officer Don Johnston's right-hand man, senior vp Roy A. Glah, into a key new post as senior vp-operations for JWT/New York, consolidated management of the New York agency operation with JWT/USA and installed a senior management committee to direct the newly combined operation.

Peter Mills, who served as exec vp-JWT/USA and general manager of the New York office since September, 1979, returns to his native Australia in a few weeks to take over as chairman-ceo of JWT Australia, based in Sydney. He succeeds Patrick Moran, president, JWT Australia, who will leave JWT after the transition period in the near future. Along with the change in Australia, Ross Howarth, exec vp-media director in the Sydney office, has been raised to general manager, assuming some of Mr. Moran's responsibilities.

Mr. Glah, who has spent 25 of his 47 years at JWT, has served since March, 1977, as special assistant to Mr. Johnston. He now will be running day-to-day operations in New York, reporting directly to Walter J. O'Brien, who earlier this year was brought here from Chicago to serve as president-chief operating officer of JWT/USA. Mr. O'Brien became

(Continued on Page 85)

world news roundup

Paris—Young & Rubicam, the biggest U.S. agency in France, is still losing business to French shops. Following the loss of the $30 million Peugeot-Talbot account to Eurocom/Univas (AA, June 14), Y&R lost the $4 million account of real estate developer Maison Phenix to Publicis.

Buenos Aires—Argentina has suspended KLM, Lufthansa and Air France flights linking Buenos Aires to the Dutch, German and French capitals in retaliation for arms sales prohibitions.

Berlin—The West German government has approved plans for the national introduction of a videotex system that will link 150 villages and cities by the end of 1984.

Tokyo—Ogilvy & Mather's new affiliation in Japan with Tokyu Agency International (AA, May 10) has garnered its first account with the win of Pond's cold cream and manicure products, worth an estimated $1.4 million, formerly with Ketchum Advertising. In addition, O&M's Hong Kong subsidiary Meridian has won the $1.5 million Parker Pen account for the Asia region, replacing J. Walter Thompson Co.

Stockholm—Thanks to a new law, direct-mail companies here will have ready access to the state's computer registry, where data on a person's income, assets, children and political persuasion are stored.

Brussels—NCK's small Brussels shop has bagged the $3 million Datsun account (formerly with D'Arcy-MacManus & Masius).

Helsinki—Burger King will enter the Finnish market this fall, with the aim of being market leader by 1984. The competition, Clock, a Swedish hamburger chain, and Carrols, which started under a U.S. license but is now wholly Finnish, plans to counter with expansion.

Mexico City—Seventy-one new earth stations were inaugurated last week as part of a government plan to reach all parts of the country via tv. Also, Mexico will launch its own satellite in 1985.

Royal tot triggers U.K. tie-ins

By SEAN MILMO

London—Advertisers and souvenir makers were quick off the mark once the royal birth was announced last Monday.

British Airways offered free drinks to passengers on its flights, linking up with a congratulatory commercial on the ITV network. This was screened half an hour after the announcement the Prince and Princess of Wales had a son.

The 40-second commercial, featuring a baby and children looking at a BA plane, ran to the tune of "Rock-A-Bye Baby" and ended with a shot of a BA aircraft over London's St. Paul's Cathedral with "Congratulations" traced in the sky. Most viewers would have forgotten that exactly the same shot was used for a similar commercial at the time of the royal couple's wedding last July.

Heinz also screened a congratulatory commercial and several companies ran congratulatory messages in the papers the next morning.

Staffordshire Potteries was the first of the souvenir manufacturers to get a commemorative product in the shops. Its factory at Stoke-on-Trent worked through the night to have mugs showing a silhouette of the Princess and baby and the birth date on sale in local stores by 9 a.m. the next morning.

The company and its competitors in The Potteries—the center of the U.K. china industry—could not wait for the baby's name to be announced. Factories in the area

(Continued on Page 85)

Stormy industry lobbyist session reported

Dissent on FTC ad rule stance?

By RICHARD L. GORDON

Washington—Now that New York ad agency chief David McCall has broken the ice, are ad industry associations finding there is less consensus for change in the Federal Trade Commission's authority than they previously assumed?

The Washington grapevine reverberated with reports of a stormy meeting of industry lobbyists, where ad industry policy toward the commission was again the issue. The session was unrelated to the McCall remarks.

Execs at the American Advertising Federation and American Assn. of Advertising Agencies, meanwhile, reported no member queries last week as a result of the attack by McCaffrey & McCall's president on the industry's FTC policy, delivered during a speech at the AAF convention (AA, June 21).

Participants at the industry lobbyists' meeting, organized by General Mills and held at the Washington headquarters of the Grocery Manufacturers of America, shunned comment when contacted last week. But it quickly went into circulation that representatives of two major advertisers had opened fire on ad association proposals urging Congress to narrow FTC's

(Continued on Page 90)

Awareness falls; Coke still No. 1

By JOSEPH M. WINSKI

In a month characterized by substantial declines in the awareness scores of major advertisers, Coca-Cola advertising retained its No. 1 spot in consumer awareness in May, according to adWatch, a monthly survey by Advertising Age and SRI Research Center Inc.

Coke advertising was identified as that first coming to mind by 4.1% of the 1,250 consumers who were asked, "Of all the advertising you've read, seen or heard in the last month, which first comes to mind?" Coke's May awareness score was down from 6% in April. Runner-up Pepsi-Cola's awareness, meanwhile, rose to 3.4% from 2.9%, substantially reducing the better than 2-to-1 margin Coke held over Pepsi in April.

Moreover, in industry-specific questioning, Pepsi unseated Coke as No. 1 in consumer awareness, being identified by 28.6% of consumers as the soft-drink advertising that first came to mind, vs. the 25.3% of respondents who identified Coke advertising. In April, Coke topped Pepsi in the category by a score of 30.1% to 27.3%.

There were three newcomers to the top 10 in over-all awareness in May: Toyota rose to No. 6 with 1% of all responses, Dr Pepper to a tie for No. 7 with 0.96% of all responses and General Motors to a tie for No. 9 with 0.56% of all responses. Advertising for Chevrolet rose to No. 7 from No. 9 in over-all awareness, making General Motors the only company with two spots on the top 10 list. Falling from the top 10 were Peter Pan peanut butter, 7UP and Budweiser.

adWatch

Advertising remaining in the top 10 but changing positions was that for Miller beer, which rose to No. 3 from No. 4, changing places with McDonald's, and for Chrysler, which fell to No. 9 from No. 6. Ford was No. 5 both months.

Coke's awareness falloff of 5.7 percentage points in advertising recalled by product category was the second-largest such drop measured in May. Purina had the largest decline, falling 7.8 points in pet food ad awareness and to No. 2 in the category, behind Alpo. Also recording sharp dips in awareness by product category were Tide detergent, down 5.1 points; Miller beer, despite its improvement in the over-all ranking, down 4.9 points; United Airlines, down 4.8 points; Polaroid, down 4.5 points; Bayer aspirin, down 4 points; Kellogg, down 3.6 points, and Scott Paper, down 3.4 points.

The top gainer in awareness of industry advertising was American Airlines, which posted a 3.1 percentage point rise in airline advertising and rose to No. 2 in awareness in its category from No. 4 in April.

The aggregate awareness score of the top

(Continued on Page 80)

'Most active' ads in May

Largest changes in awareness, by percentage points within industries

		Change in % of all responses for industry
1.	Purina	−7.8
2.	Coca-Cola	−5.7
3.	Tide	−5.1
4.	Miller	−4.9
5.	United Airlines	−4.8
6.	Polaroid	−4.5
7.	Bayer	−4.0
8.	Kellogg's	−3.6
9.	Scott's	−3.4
10.	American Airlines	+3.1

Awareness falls; Coke still No. 1

(Continued from Page 3)

three advertisers fell in May in 17 of the 20 product categories covered by adWatch. Only the leaders in home electronics, gum & candy and coffee & tea increased their combined scores.

This widespread decline might be traced to a variety of causes, including "decreased media buys by some of the big advertisers and increased buys and/or ad efficiency by the many smaller advertisers out there," said Gary Gabelhouse, SRI Research project director for adWatch.

ADVERTISING AGE and SRI Research Center, based in Lincoln, Neb., introduced adWatch last month (the name has been changed from adTrack because of a conflict with an existing service of Corporate Intelligence Inc., St. Paul, Minn., called ADTRACK) as a planned continuing measurement of consumer awareness of advertising.

Top 10 in awareness

Advertising named most often

May	April		May % of responses	April % of responses
1.	1.	Coca-Cola	4.1	6.0
2.	2.	Pepsi-Cola	3.4	2.9
3.	4.	Miller	2.0	1.7
4.	3.	McDonald's	1.4	1.9
5.	5.	Ford	1.3	1.4
6.	—	Toyota	1.0	.63
7.	9.	Chevrolet	.96	.71
7.	—	Dr Pepper	.96	.55
9.	6.	Chrysler	.56	1.0
9.	—	General Motors	.56	.32

Question: Of all the advertising you've read, seen or heard in the last month, which ad first comes to mind?
Source: SRI Research Center Inc., Lincoln, Neb.

As noted last month (AA, May 17), AA and SRI Research Center believe adWatch to be the most ambitious statistically valid research into ad awareness yet undertaken. The sample is constructed to represent accurately the population being studied, enabling valid generalizations to be made about a much larger group, in this case all U.S. consumers 18 years of age or older.

In the survey, conducted by trained SRI interviewers, consumers are asked to identify the advertising that first comes to mind out of all advertising to which they are exposed, and then for advertising for each of 20 product categories. AdWatch also asks consumers where they saw, heard or read the advertising they name.

AdWatch counts all replies naming a specific brand, including spinoff products bearing the principal brand name. Thus, Pepsi Light is counted as a vote for Pepsi-Cola and Miller's Lite beer and Bud Light are included in the totals for Miller and Budweiser. A product such as Tab, which does not include the Coca-Cola name as part of its name, is tallied as a separate brand. Some respondents named "light" beer but did not mention a specific brand. Such responses are assigned to a generic "light" category; adWatch does not assume that the consumer means a certain brand but merely records the response as given. Consumers are given no assistance of any kind in answering the questions.

As was the case in April, tv dominates as the source of advertising, being named by 66% of the respondents as the medium of the ad they identified as that first coming to mind out of all advertising. In April, 69% said tv was the source. Tv's share of the product-category advertising that first came to mind ranged to as high as 89%, for airline companies. (A detailed discussion of the source of the ads identified in adWatch will be available in this week's *Electronic Media Edition* of AA.)

More than half (52%) of the people questioned said they couldn't think of any ads when they were asked to identify one from all ads seen, read or heard in the previous month. In April, 44% couldn't come up with an ad.

Other May findings:

- In personal soap and shampoos, Procter & Gamble's Head & Shoulders, with 3.4% of all responses, dropped out of the top three from No. 1 in April, when its advertising had an awareness score of 5.1%. Head & Shoulders was the only No. 1 in April to fall from the top three in May. Prell, also a P&G brand, moved up to No. 1 from No. 2, despite a lower score in May than in April.
- Miller fell from No. 1 in the beer category, receiving 12.2% of responses, down from 17.1% in April. Budweiser took over the top spot, with a 14.2% score, up from 12.8% in April.
- Other advertising fell from No. 1 positions: Avon, to No. 2 in cosmetics, replaced by Chanel, which didn't rank in the top three in May; United Airlines, to No. 3, replaced by Eastern; Scott to No. 3 in paper products, replaced by Charmin, and Gallo, to No. 2 in wine & liquor, replaced by Riunite.
- Despite its dip in the over-all ranking, McDonald's widened its already staggering dominance of fast-food advertising, garnering 48.7% of all responses in the category, up from 46.9% in April. No. 2 Burger King's score fell to 5.8% from 7.3%.
- Polaroid fell further behind Kodak and into a tie with Canon in cameras & photographic equipment, with 11.5% of the responses in May, down from 16% in April. Kodak's score also fell, to 15.7% from 17.8%. There were no responses in May for "the James Garner ads" without identifying the product, Polaroid; in April, 18 people, or 1.4% of the total questioned, responded that way.
- Charmin, which in April was No. 1 in toiletries/hygiene and No. 2 in paper products, in May was No. 1 in both categories. It received 5.4% of the responses in toiletries/hygiene and 8.4% in paper products.

There were other newcomers to the top three in their categories, in addition to the previously mentioned American Airlines and Chanel: Dial, to No. 3 in personal soap & shampoo; Grape-Nuts, to No. 2 in breakfast foods, and Tampax, to No. 3 in toiletries/hygiene. Solo, a new P&G detergent, moved to No. 3 in laundry products.

Dropping from the top three in their product categories, in addition to Head & Shoulders: Estee Lauder, Wheaties, Crest, RCA and TWA. The top three remained the same in cars and trucks (Ford, Chevrolet, Toyota); fast-food restaurants (McDonald's, Burger King, Wendy's) and coffee & tea (Maxwell House, Folger's, Sanka). Except for RCA's dropping out of a tie for third place, the home electronics category also remained the same, with Atari a strong No. 1 followed by Radio Shack and General Electric.

In medicine & drugs, Anacin moved up to No. 2 from No. 3, switching places with Bayer. Stouffer's moved to No. 2 from No. 3 in packaged, canned & frozen foods, changing places with Green Giant. Winston overtook Salem to take the No. 2 spot in tobacco products, with Salem dropping to No. 3, and in gum & candy, Doublemint moved up to No. 2 and Trident fell to No. 3.#

For additional information or data, contact: Gary Gabelhouse, SRI Research Center Inc., 301 S. 68th St., Lincoln, Neb. 68506. Phone: (402) 489-0351.

adWatch

May's top ads in awareness by industry

		(#1 in April, if different)	% of industry responses
1.	**Airline companies:** Eastern	(United)	11.6
2.	**Beer:** Budweiser	(Miller)	14.2
3.	**Breakfast foods:** Kellogg's		7.8
4.	**Cameras & equipment:** Kodak		15.7
5.	**Cars/trucks:** Ford		17.5
6.	**Coffee & tea:** Maxwell House		18.6
7.	**Cosmetics & fragrances:** Chanel	(Avon)	3.3
8.	**Fast-food restaurants:** McDonald's		48.7
9.	**Gum/candy:** Wrigley		9.0
10.	**Home electronics:** Atari		15.5
11.	**Laundry products:** Tide		18.2
12.	**Medicine & drugs:** Tylenol		18.3
13.	**Packaged, canned, frozen foods:** Birds Eye		8.6
14.	**Paper products:** Charmin	(Scott's)	8.4
15.	**Personal soap & shampoo:** Prell	(Head & Shoulders)	5.1
16.	**Personal toiletries/hygiene:** Charmin		5.4
17.	**Pet food:** Alpo	(Purina)	9.3
18.	**Soft drinks:** Pepsi-Cola	(Coca-Cola)	28.6
19.	**Tobacco products:** Marlboro		8.0
20.	**Wine & liquor:** Riunite	(Gallo)	6.1

Question: Of all the ads for (product category) you've read, seen or heard in the last month, which ad comes first to mind?
Source: SRI Research Center Inc., Lincoln, Neb.

advertiser people

Gooden boosted in Swift shakeup

CHICAGO—Bruce Gooden has been named director-corporate marketing services at Swift & Co. in a management shakeup that resulted in the departure of Elliot Shear, who formerly held that title. Mr. Gooden's previous position as director of marketing for the poultry and processed meats division has been eliminated. Jack Stoops, formerly president of Vigo Inc., Tulsa, assumes responsibilities as director of marketing for processed meats.

Dennis Fitzgerald, formerly associate director for business development, Libby, McNeill & Libby, was named marketing manager for breakfast strips, succeeding Randy Irion, who became marketing manager for Brown 'N Serve sausage. Mr. Irion succeeds Richard Gray, who left the company several months ago. No director of marketing for poultry has been named; Tom Giglio continues as marketing manager for poultry, and Glen Wilke, formerly media assistant in the media services department, was named assistant product manager for poultry.

Also in the shakeup, Bill Nicol, previously director of purchasing at Swift, was named group product manager for Soup Starter and Stew Starter lines, succeeding Bill Bowen, who left the company. Tim Harris, formerly assistant product manager on Soup Starter, was named product manager. Chris Broxon, formerly at Turtle Wax, was named product manager on Stew Starter.

Other people on the move:

Harv Schneider to manager-marketing services, Master Lock Co., Milwaukee, from director-marketing communications, Addressograph Farrington Inc., Mt. Prospect, Ill. He succeeds **Edson Allen**, who left the company.

Gerhard Ade to manager-company identity, a new position at TRW Inc., Cleveland, from corporate manager-design and advertising services, McGraw-Edison Co., Rolling Meadows, Ill.

George R. Snider Jr. to director-marketing services, a new position at the chemical group of B.F. Goodrich, Cleveland, from director-pr, B.F. Goodrich, Akron.

Jack F. Reichert to chief executive officer, Brunswick Corp., Skokie, Ill., in addition to continuing posts as president and chief operating officer. Mr. Reichert, formerly vp-marketing for bowling operations and Mercury Marine, succeeds **K. Brooks Abernathy**, who remains chairman.

Charles Roe to vp-international marketing, a new position at Amana Refrigeration, Amana, Ia., from vp-special accounts.

Terry L. Gould to advertising coordinator-international group, Firestone Tire & Rubber Co., Akron, from identification specialist, Dayton Trade Sales division of Firestone North American tire group, succeeding **Ronald Cusano**, who left the company. Earlier at Firestone: **Benjamin Ammons** to exec vp-marketing and sales, North American tire group, from vp-marketing and sales, Carlisle Tire & Rubber, Carlisle, Pa., succeeding **James R. Thomas**, who became vp-wholesale operations, sales and marketing operations group.

Robert L. Winter to advertising manager, and **Glen Grosser** to sales promotion manager, both at Zenith Data Systems, Glenview, Ill., from account exec, Davis Harrison Advertising, Chicago, and advertising and sales promotion manager, Belden Corp., Geneva, Ill., respectively. Mr. Winter's position is new; Mr. Grosser succeeds **Felicia Jones**, who left.

Douglas McDonough to marketing manager, a new title, Society of Real Estate Appraisers, Chicago, from communications and promotion director for affiliates of the National Association of Realtors, Chicago.

Paul Luchsinger to vp-marketing and sales, consumer plastics, Mobil Chemical, Macedon, N.Y., from general manager-new business development. He succeeds **Dominic Piazza**, who moves to vp-manufacturing.

Susan A. McCormick to advertising and catalog manager, a new post, Misco, Homdel, N.J., a minicomputer supplies company, from account manager, Newport Inc., New York.

Thomas R. Scanlin to vp-marketing, American Steamship Co., Buffalo, N.Y., from vp-service division. He succeeds **Michael M. Scheidt**, who moves to vp-sales.

Kay Warmuth to vp-direct marketing, a new post, Diners Club/Carte Blanche, New York, from director of product and service marketing, Diners Club, Los Angeles.

Suzie Crocker to director of communications, Pizza Time Theatre, Sunnyvale, Cal., a new post, from communications manager.

Joseph E. Cole to vp-marketing, SCM Proctor-Silex, King of Prussia, Pa., from vp-international operations. Mr. Cole succeeds **Thomas O. McNeil**, who left the company and has joined Freelance Inc., Philadelphia, a stationery-giftware company, as vp-marketing.

Eric M. Boyle to vp-marketing, Lindsay International, Lindsay, Cal., from senior group product manager, Morton Frozen Foods, Del Monte Corp., San Francisco, succeeding **Ronald H. Russell**, who left. Also, **Noel Schanz** to product manager-macadamia nuts, a new post, from marketing manager-foodservice, Hunt-Wesson Foods, Fullerton, Cal.

Keith L. Frohreich to vp-marketing, Carl Karcher Enterprises, Anaheim, Cal., from vp-management supervisor on the Carl's account, Cochrane Chase, Livingston & Co., Irvine. He succeeds **Paul Mitchell**, who has become vp-corporate affairs.

Brad Brown to manager-special programs, PepsiCo, Purchase, N.Y., from vp-account supervisor, Evans/Weinberg, Los Angeles. Mr. Brown will be based in Los Angeles.

Judith Kooker to director of corporate communications, FMC Corp., Chicago, from manager of public issues, succeeding **Howard Mudgett**, who was assigned to special projects.

John C. Mitchell to new post of group product manager, Morton Frozen Foods, Del Monte, San Francisco, from brand manager, Procter & Gamble, Cincinnati.

Helen M. Gray to the newly created position of vp-corporate communications, Atari Inc., Sunnyvale, Cal., from executive director, Horatio Alger Assn. of Distinguished Americans, New York.

Thomas D. Hawley to vp-manager of advertising, Rainier National Bank, Seattle, from manager for division and subsidiary support advertising. He succeeds **A. George Chambers**, who left.

Ronald J. Harcarik to manager of advertising and sales promotion, ITT Cannon, Fountain Valley, Cal., from pr manager, Ameron Inc., Monterey Park, Cal. He succeeds **Terry McCarthy**, who left.

Kenneth K. Markman to advertising director, Universal Pictures, Universal City, Cal., from vp-advertising, 20th Century-Fox Pictures, Los Angeles. He succeeds **Camille Lane**, who became vp-creative director, Columbia Pictures, Burbank.#

Radio
Television
Magazines
Newspapers
Cable

Good news, bad news

Among media companies, cable and Sunbelt outpace the pack

By Joseph M. Winski

In Toledo, O., last year, 14 active *Toledo Blade* advertisers, including Wickes Furniture, one of the newspaper's larger accounts, went bankrupt.

But in Houston, the *Houston Chronicle* ran enough advertising to move past the *Chicago Tribune* into second place among all newspapers in total advertising linage. Only the perennial leader, the *Los Angeles Times*, ran more.

The major tv networks, the most prominent representatives of the "old" electronic media, took their lumps last year, posting revenue gains of well under 10% each and flat or lower earnings.

But the "new" electronic media sizzled, at least in revenues. Media revenues of American Express Co. and Warner Communications soared—57% and 44% respectively in 1981—on the wings of their joint cable venture, Warner Amex. And Denver-based Tele-Communications Inc., our reporter found, "is playing its own version of Pac-Man . . . gobbling up cable systems" at such a rate that it has become the top multiple systems operator in the country. Its media revenues were up 50% last year.

In St. Petersburg, Fla., the rapidly growing *St. Petersburg Times*, increasingly becoming regional in scope, helped boost Times Publishing Co.'s revenues by 34%, while Evening News Assn. in Detroit candidly admitted that it was using *its* Sunbelt earnings to sustain the loss-plagued *Detroit News*.

That's the pattern that clearly emerges in Advertising Age's second annual ranking of the country's 100 largest media companies: While the group as a whole posted a 13% increase in revenues in 1981, cable tv and Sunbelt-based companies considerably outpaced the rest of the industry, particularly those companies primarily in traditional media businesses in the industrial northern states.

The top 10 companies in our survey, which measures revenues from media operations only, remained the same, although there was some shuffling within the top 10.

American Broadcasting Cos. retained its title of the largest U.S. media company, and self-described "largest and most successful advertising medium in the world." But ABC's media revenues rose just 4.3% last year, the smallest gain among the top 25 companies and one of the smallest on the list. ABC's lead over No. 2 CBS, which posted an 8.7% revenue increase, narrowed to $125 million from its 1980 lead of $203 million.

RCA Corp., No. 3 on the list with its NBC network, posted a 6.5% revenue increase, but NBC's earnings fell 36% last year. (Our survey does not attempt to rank companies by earnings, but does make note of them, when they are available, in the individual company profiles.)

NBC blamed the economy as well as the legacy of Fred Silverman—a stockpile of lousy programs, the network claimed.

Rounding out the top 10 were Time Inc., No. 4; Times Mirror Co., No. 5; Gannett Co., No. 6; S. I. Newhouse & Sons (also known as Advance Publication), No. 7; Knight-Ridder Newspapers, No. 8; Hearst Corp., No. 9, and Tribune Co., No. 10.

Times Mirror Co. posted a 21% revenue gain, easily the largest among the top 10, and jumped to fifth place from seventh in last year's rankings, exchanging positions with Newhouse. Newhouse still retained its ranking as the largest privately owned media company. In the other shuffle in the top 10, Knight-Ridder moved up a notch, changing places with Hearst.

Only two companies on the list suffered a decline in media revenues, both because of retrenchments in media holdings. Playboy Enterprises, which sold *Oui*, fell 3.7% in revenues and to No. 53 from No. 40. Charter Co., which is getting out of media entirely, it appears, dropped 32% in media revenues and to No. 38 from No. 23.

As was the case last year, the top 10 companies were the only ones with media revenues topping a billion dollars. The top 10 also repeated their large share of the top 100 companies' media revenues, accounting for 45.7% of the group's combined media revenues of $33.12 billion. That's down, however, from the 46.5% of the total generated by the top 10 last year. That reflects the slower rate of gain by the top 10 companies: 11% vs. 14% for the remaining companies.

While the billion-dollar-plus companies' share of media revenues might raise questions in some quarters about an unhealthy amount of media concentration in the U.S., media company executives today indicate little fear of the type of antibigness sentiment implicit in such things as the hearings on media concentration held by the Federal Trade Commission in 1978.

Asked to characterize the current political climate for media companies and how it has changed under the Reagan administration, one company replied in its questionnaire, sent earlier this year by Advertisng Age: "There appears to be a trend that would permit the consolidation of media companies to move ahead at a more rapid rate than in the past."

The same company official added, "The electronic media environment has changed more drastically . . . than the print media environment." "Good—much improved with Reagan," observed another company.

Our survey and interviews also picked up a surprising, and perhaps significant, amount of wariness about cable tv. Despite the impressive revenue gains posted by many cable operations, some media executives clearly are beginning to reexamine the almost ritual projections of cable's bright financial future. Indeed, in the opinion of Roy Park, chairman of Park Broadcasting, cable "is highly capital intensive, and it's going to wind up in the hands of a few, large companies."

Among others who have recently expressed caution about cable is Katharine Graham, chairman of Washington Post Co., Lloyd Schermer, president of Lee Enterprises, and General Tire & Rubber Co.'s RKO General (No. 50), which last year sold its cable system, Cablecom-General, to Capital Cities Communications (No. 15), citing a desire to move out of the cable-intensive hardware end of cable.

Thomas H. Wyman, CBS Inc. president, also has joined the skeptics, saying at the network's affiliates meeting last month: "It becomes increasingly clear that the potential impact of cable television has been overrated by many . . . . It is going to take longer to develop profitable cable networks than most have imagined, and fewer of them will survive" than has been anticipated.

CBS distributed at the meeting a booklet crammed with data aimed at taking "a hard, cold look at the potential of cable." Not surprisingly perhaps, the conclusion is that the networks don't have all that much to fear from cable as an advertising vehicle. While basic and pay-cable will attract 18% of the evening tv audience by 1990, and the networks' share will be down to 70%, the report concludes, total ad revenues of cable services will be only $3.5 billion to $4 billion, compared to $33 billion to $38 billion for the networks and local tv stations. "The emergence of cable is no cause for alarm, as long as advertising on cable is commensurate with the audience values cable delivers," CBS asserts.

That view is hardly likely to be shared at companies such as Tele-Communications, which leaped 18 places on our list, to No. 48 from No. 66, by virtue of the growth of its cable tv systems, its only media business. Other sizable cable-fueled increases last year were attained by Cox Communications, up 32% in revenues and three notches to No. 21; Westinghouse Electric, up 19% in revenues and three places to No. 24; Viacom International, up 35% in revenues and 10 places to No. 49, and Continental Cablevision, up 53% in revenues and from being unlisted last year to No. 89. American Express rose 10 slots in the rankings to No. 70 and Warner Communications six to No. 71.

Among the noncable companies recording substantial revenue gains last year was Dow Jones & Co., which remains hard-pressed to accommodate demand for ad space in the *Wall Street Journal*; Dow Jones' revenues rose 22% last year and its ranking two notches to No. 14. Central Newspapers, publisher of the Indianapolis dailies, rose 24% in revenues and five rungs to No. 25 in the rankings, while magazine publisher Knapp Communications Corp. was up 44% in revenues and seven places in the rankings to No. 92.

New to the rankings, in addition to Continental Cablevision, is Turner Broadcasting System, unlisted last year but No. 82 this year by virtue of a 94% increase in revenues, the highest of any company on the list. Turner Broadcasting's "superstation," WTBS-TV, Atlanta, now available on cable systems serving 19 million homes, increased its ad revenues by 59% last year, while ad revenues of the company's cable operations, Cable News Network and CNN 2, nearly quadrupled. The cable operations lost $11 million last year, however.

CSX Corp., better known as a railroad company, is also new this year (No. 96). CSX owns daily newspapers in Jacksonville, Fla., and elsewhere, as well as weeklies and a small Florida cable company. Howard Publications, Oceanside, Cal., is new to the list at No. 74 and Sammons Communications, Dallas, unlisted last year, is No. 98 this year.

Some of last year's figures have been revised to reflect the receipt of what we believe to be more accurate information subsequent to last year's publication of the rankings. Figures that have been revised are so indicated on the accompanying chart and in the profiles, which start on Page M-8.

The five companies displaced from last year's list, all of which qualify as near-misses this year, are The New Yorker Magazine, $58.2 million in revenues; LFP Inc. (Larry Flynt Publications), $55 million; Rodale Press, $55 million; Blue Chip Stamps (publisher of the *Buffalo Evening News*), $54.8 million, and Macfadden Holdings (publisher of *US* and romance magazines), $54.5 million.

Other contenders identified this year are Allbritton Communications, revenues estimated by AA at $55 million; Forbes Inc., estimated revenues of $54 million; Crain Communications, publisher of Advertising Age and other business magazines, $50.5 million; Scripps-League Newspapers, estimated revenues of $50 million; Whitney Communications, estimated revenues of $49 million; Kiplinger Washington Editors, estimated revenues of $49 million, and Calkins Newspapers, estimated revenues of $48 million.

The cutoff point for this year's listing was $59.2 million. Last year it was $49.9 million.

Joseph M. Winski is editor-at-large of Advertising Age.

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100 LEADING MEDIA COMPANIES

(000,000)

RANK 1981	RANK 1980	COMPANY	81		80		81	80
			Media	Total	Media	Total	Media %	Media %
1	1	**American Broadcasting Cos.**	2,300	2,440	2,204.5	2,280	95.8	96.6
2	2	**CBS Inc.**	2,175	4,126	2,001	4,062	49.9	55.2
3	3	**RCA Corp.**	1,620	8,004	1,521.8	8,011	20.2	19
4	4	**Time Inc.**	1,510	3,300	1,348.5	2,882.0	45.8	47
5	7	**Times Mirror Co.**	1,368.4	2,156	1,128.4	1,857	63.5	60.8
6	6	**Gannett Co.**	1,345	1,367.2	1,195	1,215	98.4	98.8
7	5	**S. I. Newhouse & Sons**	1,250	1,400	1,115*	1,250	89	89
8	9	**Knight-Ridder Newspapers**	1,200.5	1,237.1	1,099	1,099	97	100
9	8	**Hearst Corp.**	1,200	N/A	1,100	N/A	N/A	N/A
10	10	**Tribune Co.**	1,170	1,410	1,048	1,230	83	84.6
11	11	**New York Times Co.**	796.6	845.2	679	733.2	94.3	93
12	12	**Washington Post Co.**	753	753.4	659*	659.5	99	99
13	13	**McGraw-Hill**	732.4	1,110.1	644.8	1,000	66	64.5
14	16	**Dow Jones & Co.**	600	641	493.3	530.7	93.6	93
15	17	**Capital Cities Communications**	573.8	573.8	472.1	472.1	100	100
16	19	**Dun & Bradstreet**	553.4	1,331	492.3	1,176	41.6	41.9
17	14	**Triangle Publications**	502.2	502.2	461.6*	461.6	100	100
18	15	**E. W. Scripps Co.**	500	550	475	525	90.9	90.5
19	18	**Cox Enterprises**	419.2	419.2	367.6	367.6	100	100
20	20	**Metromedia Inc.**	390.5	461.8	333.7	453.9	84.6	73.5
21	24	**Cox Communications**	370.2	403.5	281	309.2	91.8	91.7
22	22	**Field Enterprises**	368.7	425	329.9	380	87	86.8
23	21	**Meredith Corp.†**	330.5	403.4	330.5	403.4	81.9	81.9
24	27	**Westinghouse Electric Corp.**	319	9,367.5	269*	8,514	3.4	2.3
25	30	**Central Newspapers**	304.5	304.5	246.1	246.1	100	100
26	26	**Harte-Hanks Communications**	300.9	348.5	269	304	86.3	88.7
27	25	**Reader's Digest Assn.**	300	1,200	270	1,100	25	23.8
28	35	**Ziff Corp.**	300	N/A	200	225	N/A	89
29	36	**Storer Broadcast Co.**	276.4	276.4	197.1	197.1	100	100
30	41	**Oklahoma Publishing Co.**	266.8	266.8	229*	229	100	100
31	28	**Evening News Assn.**	250	250	235.7	235.7	100	100
32	29	**Cowles Media Co.**	238.0	238.0	213.7	213.7	100	100
33	34	**Affiliated Publications**	236.1	236.1	206.5	206.5	100	100
34	33	**Thomson Newspapers Ltd.****	232.4	536.2	208.1	438.7	43.3	47.4
35	31	**Chronicle Publishing Co.**	216.7	216.7	210.5	210.5	100	100
36	32	**News America Publishing†**	210	210	210	210	100	100
37	37	**Copley Newspapers**	205.8	206.5	190.4	191.6	99.7	99.4
38	23	**Charter Co.**	202	4,970	296	4,563	4.1	6.5
39	39	**Landmark Communications**	200	200	182	182	100	100
40	38	**Pulitzer Publishing Co.**	197.4	197.4	184.4*	184.4	100	100
41	42	**Media General**	197.1	366.5	167.4	332.0	53.8	50.4
42	44	**Multimedia Inc.**	195.3	195.3	163.6	163.6	100	100
43	45	**Freedom Newspapers**	194.1	194.1	153.5	153.5	100	100
44	43	**H&C Communications**	188.3	188.3	165	165	100	100
45	46	**A. H. Belo Corp.**	180.1	182.3	150.6	157.6	98.8	95.5
46	47	**General Electric Co.**	175	27,000	150	24,960	0.65	0.6
47	50	**National Geographic Society**	170.7	257.7	143.3	207.7	66.2	69
48	66	**Tele-Communications Inc.**	167.7	181.4	111.9	124.4	92.1	90
49	59	**Viacom International**	164.5	210.4	122.3*	160.2	78.2	76.3
50	51	**General Tire & Rubber Co.**	160.9	2,180	142.1	2,200	7.3	6.5
51	55	**Houston Chronicle Publishing Co.**	160.6	160.6	133.7	133.7	100	100
52	52	**McClatchy Newspapers**	160	160	136.8	136.8	100	100
53	40	**Playboy Enterprises**	156	388.9	162*	363.2	40.2	44.6
54	48	**Journal Co.**	152.5	290	148.6	283.5	52.6	52.4
55	49	**Penthouse International**	150	160	145.7	155	93.8	94
56	54	**Lee Enterprises**	149.8	153.1	135.1	137	98	98.6
57	57	**National Enquirer**	145	145	129	129	100	100
58	60	**A. S. Abell Co.**	133	133	120.4	120.4	100	100
59	68	**Cahners Publishing Co.**	130	160	100	150	81.3	66.7
60	78	**Oak Industries**	130	507.1	76	386	26	19.7
61	58	**U. S. News & World Report**	127	135	125	125	94	100
62	64	**Taft Broadcasting Co.**	125.1	358.2	112.2	239.9	34.9	47
63	61	**Donrey Media Group**	125	125	120	120	100	100
64	69	**Wometco Enterprises**	122.7	434.2	95.4	357.2	28.3	26.7
65	62	**Blade Co.**	122.6	122.6	118.7	118.7	100	100
66	63	**Providence Journal Co.**	121	262	117	162.8	46.2	71
67	75	**Petersen Publishing Co.**	120	N/A	110	N/A	N/A	N/A
68	70	**Seattle Times Co.**	118.3	118.3	93.5	93.5	100	100
69	71	**Morris Communications Group**	115.8	118.4	89	91	97.8	97.8
70	80	**American Express Co.**	113.6	7,200	72.4	5,504	1.6	1.3
71	77	**Warner Communications**	110.5	3,240	76.5	2,059	3.4	3.8
72	73	**Times Publishing Co.**	110	110	82	82	100	100
73	67	**Harcourt Brace Jovanovich**	107	539.3	100	504	18.8	19.8
74	–	**Howard Publications**	100	100	87	87	100	100
75	56	**McCall Publishing Co.**	97.2	97.2	93.2	93.2	100	100
76	53	**Courier-Journal & Louisville Times Co.**	93.1	93.1	86.7*	86.7	100	100
77	74	**Jefferson-Pilot Corp.**	91.4	978.7	81.6	885.0	9.3	9.2
78	72	**Des Moines Register & Tribune Co.**	89.5	89.5	86.1	86.1	100	100
79	76	**Scripps-Howard Broadcasting Co.**	87.3	87.3	77	77	100	100
80	65	**Pittway Corp.**	86.3	403.6	77.6	311.7	28.2	35
81	88	**Worrell Newspapers**	84	84	60	60	100	100
82	–	**Turner Broadcasting System**	83	95.1	42.7	54.6	87.3	78.2
83	87	**Southern Progress Corp.**	80	N/A	61	N/A	N/A	N/A
84	79	**Bergen Evening Record Corp.**	79.3	80.4	73.1	74.2	98.6	98.5
85	91	**Rogers UA Cablesystems**	77.8	77.8	55	55	100	100
86	81	**Park Broadcasting**	75	80	65	70	93.8	92.9
87	82	**Outlet Co.**	75	142.8	64.2	132.3	52.5	48.7
88	83	**Post Corp.**	73.2	83.2	60.2	77	75.3	78.2
89	–	**Continental Cablevision**	73	73	47.6	47.6	100	100
90	86	**Deseret Management Co.**	71.9	84.5	61.3*	72.1	85	85
91	85	**LIN Broadcasting**	66.2	71	61.3	64.5	93.2	95
92	99	**Knapp Communications Corp.**	64.5	74.5	44.9*	51.6	86.6	87.1
93	93	**Army Times Publishing Co.**	63.3	94.4	55	82.5	67	66.7
94	84	**United Cable Television Corp.**	62.8	62.8	62.8	62.8	100	100
95	94	**Rollins Inc.**	62.1	454.6	54.7	400.1	13.7	11.9
96	–	**CSX Corp.**	61.6	5,432.2	55	4,841.4	1.5	1.3
97	96	**Schurz Communications**	60	60	52	52	100	100
98	–	**Sammons Communications**	59.9	59.9	50.2	50.2	100	100
99	89	**Christian Science Publishing Society**	59.5	N/A	58.4	58.4	N/A	100
100	90	**Stauffer Communications**	59.2	66.1	55.6	60.4	90	92

*Restated figures

**In successive columns: Thomson's U.S. Media revenues only; Thomson's U.S./Canadian media combined which is total revenues; and U.S. Media percentage total.

†Fiscal year closes June 30, 1982; 1981 figures unavailable at press time.

BEST AVAILABLE COPY

The 100 leading media companies

Our annual roundup looks at how the powers fared in 1981

A.S. Abell Co.

A.S. Abell Co., Baltimore, is the country's 58th largest media company, with total 1981 revenues estimated by Advertising Age at $133 million. All revenues stemmed from two media subsidiaries: A.S. Abell Publishing, which accounted for about 80% of the total, and Abell Broadcasting.

Abell's principal property remains the Baltimore Sunpapers, the collective name for morning, evening and Sunday editions, which have a combined daily newspaper circulation of 344,832 and a Sunday circulation of 382,953 (March, 1982, Audit Bureau of Circulations figures).

At the Sunpapers, the watchwords are "evolutionary change." The arrival last summer from the *San Francisco Examiner* of publisher Reg Murphy signaled the decision to embark upon a far-reaching program of change.

When the *Washington Star* folded last year the Sunpapers picked up several of its reporters and features. Circulation also got a slight boost between the September, 1981, and March, 1982, ABC ratings as a result.

"The Sunpapers is positioning itself for growth under the leadership of talented professionals," Mr. Murphy has said. "Changes in both editorial and administrative positions were made to give ourselves opportunities to expand." Mr. Murphy recently announced to his staff that "What we're doing with the newspapers is making sure they're in a position to prosper and support new ventures under the publishing company umbrella."

Currently, Sunpapers are Abell Publishing's only properties. However, the company continues to look into a mid-Atlantic regional magazine. And recently plans were announced for a direct mail operation that would start with Sunpapers subscribers ultimately reaching out to metropolitan Baltimore.

Meanwhile, Abell Communications, A.S. Abell's younger, smaller corporate offspring, is moving ahead with its own acquisition program. It has recently added two Jacksonville, Fla. radio stations, WCRJ-AM and WCRJ-FM. By the end of 1983 it expects to have a total of seven new stations.

A good example of the adventurousness at Abell Communications is seen in its sponsorship of the U.S. Professional Cycling Championship through its hometown tv outlet, WMAR.

MEDIA PROPERTIES

Newspapers (dailies)

MARYLAND: *Baltimore Sun, Baltimore Evening Sun.*

Broadcasting

TELEVISION: WMAR-TV, Baltimore; WBOC-TV, Salisbury, Md.

RADIO: WCRJ (am, fm), Jacksonville, Fla; WBOC (am, fm) Salisbury, Md.; WRLX (fm) Baltimore.

Cable/video

Abell Communications Productions.

Affiliated Publications

Affiliated Publications, Boston, is the country's 33rd largest media company, with revenues of $236.1 million in fiscal 1981, all from media operations.

The company's revenues rose 14.3% last year from $206.5 million in 1980. The *Boston Globe* contributed $221.6 million in revenues, or 94% of the total, and broadcasting and cable tv operations the remaining 6%. In 1980, the *Boston Globe* contributed the same percentage of total revenues, or $194.4 million.

The *Boston Globe's* current daily circulation is 505,986, an increase of 3,255 over 1981, and the Sunday edition's circulation is 754,243, an increase of 5,879. These circulation figures are the "highest in the *Globe's* history," Daniel Orr, vp, said.

The increase in Sunday circulation was achieved despite a price increase in the Sunday edition last Jan. 3.

William O. Taylor, chairman of the publicly owned company, in the annual report said 1981 was a "record year for Affiliated Publications." The company "turned a healthy profit," he said. Despite a decline in fourth-quarter earnings because of a 22% drop in help-wanted advertising in the *Globe*, earnings for the year increased to $14.2 million, or $2.74 a share, up from $12.9 million, or $2.49 a share in 1980.

In 1981, the *Globe* recorded a gain of 4.7% in advertising linage from 1980. Advertising in the *Globe's* Sunday magazine increased 15%. The *Boston Globe Magazine* was No. 1 in retail advertising last year among newspaper magazines in the U.S.

Company subsidiary Affiliated Broadcasting acquired WOKV-AM and WAIV-FM in Jacksonville, Fla., in March, 1981. Last November, it sold two of its radio stations, WSAI-AM and WSAI-FM in Cincinnati, to Booth American Co., Detroit. Affiliated Broadcasting now owns five am and five fm radio stations.

Affiliated's acquisition of 45% of McCaw Communications, an owner and operator of cable tv and radio common carrier companies in Washington state and Alaska, was completed last August. The company also completed, in April of this year, the joint acquisition (with McCaw Communications) of Southern Oregon Broadcasting Co., a cable tv operator. This purchase also included Pacific Telatronics, a microwave common carrier serving northern California and southern Oregon.

Last October, Affiliated Publications entered into an agreement in principle with Knight-Ridder Newspapers for access to the Knight-Ridder/American Telephone and Telegraph Co. market test data of the Viewtron Home Information Service of southern Florida. The company also will have access to the much larger market test data from research scheduled to begin in 1983. If results of these tests are sufficiently encouraging, Affiliated Publications and Knight-Ridder will organize a joint venture which will launch a similar Viewtron system in the Greater Boston area.

In March, construction began in an off-site *Globe* production facility in Billerica, Mass. This will be a satellite plant housing two eight-unit printing presses and having the capability of adding two more presses.

Effective Jan. 1, 1981, William Davis Taylor retired as chairman of the board; he will continue as an Affiliated Publications director. William O. Taylor was appointed chairman of the board, ceo and publisher of the *Boston Globe.* Also on Jan. 1, Richard C. Ockerbloom was appointed executive vp, Millard G. Owen vp-marketing/sales and John F. Reid Jr. advertising director.

MEDIA PROPERTIES

Newspapers

MASSACHUSETTS: *Boston Globe.*

Broadcasting

RADIO: KRAK (am) and KEWT (fm), Sacramento, Cal; WOKV (am) and WAIV (fm), Jacksonville, Fla; WHYN (am, fm), Springfield, Mass.; WFAS (am) and WWYD (fm), White Plains, N.Y.; KMPS (am, fm) Seattle, Wash.

Cable/video

Forty-five per cent ownership in McCaw Communications with cable locations as follows—ALASKA: Frontier Colorcable, Fairbanks; Ketchikan Alaska Television, Ketchikan; Sitka Alaska Television, Sitka. OREGON: Southern Oregon Broadcasting Co., Medford, Klamath Falls, Grants Pass, Roseburg; St. Helen's Cablevision, Scappoose. WASHINGTON: Twin City Cablevision, Centralia, Tenino; Cle Elum Cablevision, Cle Elum; Whatcom County Cablevision, Ferndale, Lynden; South Whidley Cable Tv, Langley; Okanogan Valley Tv Cable Co., Omak; Telecable of Selah, Selah; Yakima Valley Cablevision, Yakima.

American Broadcasting Cos.

American Broadcasting Cos., New York, is the largest media company in the U.S., with media revenues of $2.3 billion in

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1981 out of total revenues of $2.44 billion. Its media interests encompass tv and radio stations and networks, consumer and business publications and several ties to the catv field.

The lion's share of its media revenues again came from tv and radio, which produced $2.1 billion in revenues, up from $1.97 billion in 1980. Publishing accounted for $275.3 million in revenues last year, up from $231.6 million in 1980. Some of the "publishing" revenues were generated by such sources as book sales and music publishing, not included by AA in media revenues.

Commercial time sales in the last half of 1981 lifted ABC-TV Network to record revenues, bolstered by advertiser response to audience gains in news, daytime and early-morning slots. Network execs crowed that ABC again was "the largest and most successful single advertising medium in the world," a title that for decades had belonged to CBS. To hang on to that crown, industry followers said ABC must overcome increasingly stiff competition.

Last year, ABC's over-all earnings of $146.3 million—only $9,000 more than in 1980—were hurt by "uncertainty in the advertising marketplace," chiefly in the first half, according to Leonard Goldenson and Elton Rule, ABC Inc.'s chairman and president, respectively. Other negative influences, they said, were write-downs of certain publishing operations and disruption of the fall 1981 prime time season by the actors' strike of the previous year.

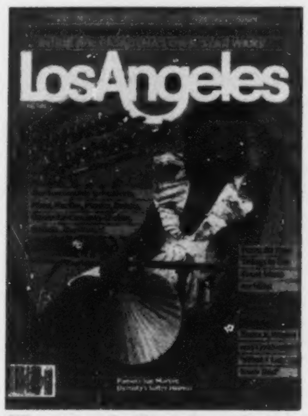
This year also will present problems. The executives anticipate, for example, that higher costs for sports rights and development costs for video and theatrical movies will put "additional pressure on profit margins."

In addition, ABC Inc. plans to spend $110 million to $135 million on capital improvements in 1982.

In programing, ABC said the various commitments already in the house for movies, sports and other products totaled $1.34 billion at the end of 1981, 96% of which is payable over the next five years. These payments will range from a high of $500 million this year to a low of $49.2 million in 1986.

In the 28-week prime time season ended in April, ABC again finished as runnerup to CBS. But the gap was just .9 of a rating point, compared to a 1.6 point margin a year earlier. The company attributed the improvement to a blend of popular series, including newcomer "Fall Guy," movies like "Superman," "Grease" and "Close Encounters of the Third Kind," and specials like the Academy Awards. Hoping to narrow the gap further in the 1982-83 season, ABC has slated "The Winds of War" for the important February sweeps and "Thorn Birds" for later.

Last fall, ABC's most lucrative prime time series were "Love Boat" (asking $140,000 a 30-second spot), ABC Sunday movies ($125,000) and "Fantasy Island" ($120,000).



The trendy **Los Angeles** *is in ABC's stable.*

ABC said the network ranked first in the key advertising category of viewers between 18 and 49 years of age. And in daytime, ABC dominated CBS in both the Nielsen homes and women aged 18-to-49 categories, paced by "General Hospital," "All My Children" and "One Life to Live." Although "General Hospital" has lost some of its ratings luster since its peak last fall, when the serial was the most popular daytimer ever, ABC executives plan to use it to launch a youth-oriented spinoff soaper.

ABC found itself engaged in tough ratings battles in late night ("Nightline" vs. NBC's "Tonight"), early morning ("Good Morning America" vs. NBC's "Today")—and even on Saturday mornings, where NBC children's programing threatens. ABC's weekend afternoon sports fare also has shown some slippage recently, although still ranking No. 1 in sports.

Late last month, ABC agreed to pay a reported $20 million to televise games of the new U.S. Football League, which plans to begin play next spring. The network reportedly will televise 20 games in each of the first two seasons.

NBC has seesawed many weeks in the No. 2 slot. As has happened to its rivals, ABC's growing ad volume has been offset somewhat by the costs of covering events, both expected (the royal wedding and the space shuttle) and unexpected (assassinations and attempted assassinations).

For ABC, 1984 already shapes up as a blockbuster sports year, with the network already having locked up more than $400 million in ad revenues out of a planned total of $610 million for the Winter and Summer Olympics. All told, ABC will have about 250 hours of tv coverage of the games, and another 100 hours on ABC Radio.

ABC executives described the owned tv stations division as "the most successful and profitable station group," leading in the ratings from sign-on to sign-off and in adult viewers aged 18 to 49. This operation's costs, not fully offset by ad sales, included advertising and research expenditures related to expansion of the local evening newscasts and early-morning shows.

ABC's radio division also continued to be active, lining up affiliates for the Talkradio and Superadio talk and music formats, respectively. ABC Radio Enterprises, in addition, seeks to acquire radio entities, such as Watermark Inc., Hollywood, purchased for its successful syndicated "American Top 40" series. This same operation's start-up costs have slowed ABC Radio division's earnings growth, however.

Its four veteran radio networks, with 1,800 affiliates, continued to climb in sales and earnings. The division added two demographically tailored networks, Direction (for ages 25 to 54) and Rock Radio (for 18 to 34).

The owned radio division also continued to grow, with three of its six am outlets claiming ratings leadership in their markets: KABC, Los Angeles, whose talk format inspired the Talkradio service; WMAL, Washington, and KGO, San Francisco. Former rock station WABC, New York, which for decades was the most-listened-to station in the nation, steadily lost ground in recent years to fm rock and this spring was forced to follow KABC's lead and become a talk station. ABC said WPLJ (fm), New York, finished last year as "the most-listened-to fm rock station" in the U.S.

In publishing, ABC is represented in both the consumer field via four "special interest" publications and in the trade field, through industry books from the Chilton, Hitchcock, Miller and Ames units as well as agribusiness magazines from Farm Progress Publications. Although this division posted sales gains in '81, its profits fell considerably due to write-downs at such units as R.L. White Co. plus economic pressures, including a weak farm economy.

ABC's growing involvement in new electronic media has both annoyed and worried some affiliates and shareholders, who wonder about the eventual impact these newcomers might have on ABC's No. 1 business, commercial television.

In recent weeks, ABC has signed new agreements involving at-home shopping/banking and pay-per-view (with Cox Cable Communications) and pay tv/video recording (via the Home View Network, using Sony hardware).

These join the upcoming Satellite NewsChannels joint venture with Westinghouse Broadcasting and the sports pay cable/pay-per-view projects due with ESPN and Getty Oil, as well as the currently operational ARTS and Daytime ad-supported cable services (both with Hearst/ABC Video Services) and vcr/disc sales via ABC Video Enterprises.

The ABC hierarchy acknowledges that while these ventures should make money "in time," they are not now significant revenue producers. Indeed, industry sources estimate ARTS and Daytime's combined ad sales in the low seven-digit neighborhood.

As Messrs. Goldenson and Rule explained, ABC is "more than a broadcaster" and so should be involved in the new fields, if for no other reason than to be there as home video erodes commercial tv viewing. Still, these executives expect any erosion of tv's share of audience to be offset by a growing tv audience base and John Severino, ABC-TV president, added that network tv should remain the "predominant" medium for mass marketers.

Mr. Rule said at this year's affiliates convention that ABC will continue to be "the engine that pulls the train, and we have no intention of depriving the engine of the fuel it needs."

MEDIA PROPERTIES

Magazines

ABC Publishing (special interest group)—*High Fidelity, Los Angeles, McCall's Needlework & Crafts, Modern Photography.*

ABC Publishing (trade group)—Ames Publishing: *Industrial Distributor News, Industrial Maintenance & Plant Operations, Industrial Safety & Hygiene News, Industrial Safety Product News.* Chilton: *Accent, Automotive Industries, Automotive Marketing, Chilton's Control Equipment Master, Commercial Car Journal, Distribution, Electronic Component News, Food Engineering Master, Hardware Age, Instrument & Apparatus News, Instruments & Controls Systems, Iron Age, Jewelers' Circular-Keystone, Motor Age, Product Design & Development, Review of Optometry, The Specialist, Truck & Equipment Salesman.* Farm Progress Publications: *Prairie Farmer, Wallaces Farmer, Wisconsin Agriculturist.* Miller Publishing: *Dairy Herd Management, Farm Store, Merchandising, Feedlot Management, Feedstuffs, Hog Farm Management, Home & Garden Supply Merchandiser, Tack 'n' Togs.* Hitchcock Publishing: *Assembly Engineering, Industrial Finishing, Infosystems, Machine & Tool Blue Book, Office Products Dealer, Quality Woodworking & Furniture Digest.*

Broadcasting

TELEVISION: ABC-TV Network (207 affiliates). ABC-owned stations: KABC-TV, Los Angeles; KGO-TV, San Francisco; WLS-TV, Chicago; WXYZ-TV, Detroit; WABC-TV, New York.

RADIO: ABC Radio Networks (1,800-plus affiliates). ABC-owned stations: KABC (am) and KLOS (fm), Los Angeles; KSFX (fm), San Francisco; WLS (am, fm), Chicago; WXYZ (am) and WRIF (fm), Detroit; WABC (am) and WPLJ (fm), New York; KSRR (fm), Houston; WRQX (fm), Washington.

Cable/video

ABC Video Enterprises, and various links with Hearst, Westinghouse Broadcasting, ESPN/Getty Oil and Cox Cable.

OTHER PROPERTIES

ABC Motion Pictures, ABC Scenic Attractions., Chilton Research Services, NILS Publishing and National Price Service database operations, Word Inc.

How AA got its data

Companies were ranked by net operating revenues from media properties. Included were print media supported by advertising or circulation revenues or both.

Examples of media operations not supported by advertising but included in the calculations are newsletters and electronic information services paid for by subscribers. Book publishing was excluded.

Similarly, revenues generated from the operation of radio or tv stations, including over-the-air and cable stations, were included. Revenues generated from the "production" of tv films or other programing for use by broadcast or cable stations were excluded.

However, syndication activity was counted when companies were involved in traditional media. Occasionally, revenues from production could not be extrapolated from syndication or other broadcast activity. These exceptions were rare and are noted in the profiles.

Net operating revenues refers to revenues less commissions and discounts.

Many of the top 100 companies are privately owned and thus not required to disclose financial figures. In addition, many of the publicly owned companies do not report their figures in the detail required for our analysis. In both cases, officials of the companies were contacted for estimates. Generally, we found companies to be helpful in guiding editors to a close approximation of media-property revenues. As the individual company profiles demonstrate, we were also able to interview many company executives expressly for this special report. In those cases where companies were not helpful, editors used secondary sources believed to be reliable, as well as equations developed by leading media analysts to estimate revenues of individual newspapers or radio and or tv stations.

As far as Advertising Age can determine, no one has ever attempted a ranking of this sort. Like other such rankings, it is likely to be flawed by omission and commission. We welcome your comments and suggestions for improving the accuracy of this annual listing.

American Express Co.

American Express Co., New York, is the 70th largest U.S. media company, with 1981 media revenues estimated by Advertising Age of $113.6 million, including $88.6 million from its 50% partnership with Warner Communications Inc. in cable tv operations. As an entity, that joint venture generated $177.2 million last year. American Express had estimated media revenues in 1980 of $72.4 million coming from Warner Amex and magazine publishing.

The company's total revenues last year were $7.2 billion, up from $5.5 billion in 1980.

The Warner Amex venture consists of Warner Amex Cable Communications Inc., which constructs and operates cable systems that provide entertainment programing and other services to residential and commercial subscribers, and a sister company, Warner Amex Satellite Entertainment Corp., which produces and distributes programing via satellite to cable systems throughout the country. Warner Amex increased both its cable and satellite programing operations throughout 1981 and into the first half of this year, with total revenues of the joint venture up nearly 90% from 1980.

The company's media operations also include two magazines, *Travel & Leisure* and *Food & Wine*.

In recent years, American Express has expanded its media businesses both through internal development and acquisition. This is in keeping with the company's over-all philosophy to grow in both traditional and new lines of business. The acquisition of Shearson Loeb Rhoades in June of last year (a $900 million plus transaction), as an example, provides a base for expanded financial services.

Growth at Warner Amex Cable Communications has been most striking, with the expansion of Qube, the two-way interactive system, from Columbus, O., to Cincinnati, Pittsburgh, Dallas and Houston. The Qube technology is the bellwether for Warner Amex Cable, which is betting on two-way technology as a rapid growth area. The next major revenue source for cable, Warner Amex appears convinced, is pay-per-view, which also would benefit Qube, a pioneer in its development and use of pay-per-view technology.

The Qube system already can be linked with a wide array of data banks and a variety of services. These include stock market information, airline and train schedules, personal finance management, catalog shopping at home and home security. In the last category, Warner Amex is by far the leader with some 5,000 home-security subscribers, about two-thirds of the total category in the cable industry. Warner Amex Security Systems in Columbus, O., offers fire, police and medical emergency services protection via application of Qube technology. Similar security services have been introduced in Cincinnati and Houston.

In 1981, there was an increase of more than 17% in subscribers to Warner Amex cable systems. Currently there are nearly 1 million basic cable and well in excess of 600,000 pay subscribers at Warner Amex's 146 cable systems in 27 states. This makes Warner Amex Cable the sixth largest multiple system operator in the country.

At the end of last year, homes in Warner Amex franchise areas nationwide totaled 3.4 million. The 26 new and anticipated cable tv systems won during 1981 account for a potential 675,000 of that 3.4 cable homes-passed total. Major franchise awards, to cite one situation, include the suburban Chicago area, where five communities awarded the joint venture franchises that have a potential market of more than 50,000 homes.

Warner Amex Satellite Entertainment Co, or WASEC, introduced MTV: Music Television as its third satellite-delivered service last summer. The 24-hour-a-day video version of a contemporary music radio station—aimed at the 12-to-34-year-old age group—quickly has managed to reach into some 4 million cable tv households via about 600 cable systems. It's distributed free to basic subscribers and has been picking up significant, if not abundant, advertiser support.

The Movie Channel claimed strong subscriber gains in 1981 for its feature-film pay service. Totals at the end of the year were 1.7 million subscribing households, a more than 188% increase over 1980, with 1,700 cable systems carrying the service. Five months into 1982, totals increased to 2.2 million subscribers via 2,150 cable systems.

Nickelodeon, advertiser-supported, is the self-styled "young people's channel." It is also on the upswing with the service, which reached 6.3 million cable households at the end of last year, and is currently available to more than 7.7 million basic cable subscribers. The 1,500 cable systems carrying Nickelodeon going into 1982 increased

WNEV: Never say never

By Nancy Tait

On May 22, at 6 a.m., a dream came true for David Mugar. He pushed a button and Boston's newest tv station, WNEV-TV, CBS affiliate Channel 7, went on the air.

For Mr. Mugar, a wealthy Bostonian whose Armenian immigrant father founded Star supermarkets, and his New England Television Corp., the moment marked the culmination of 13 years of legal battling to win the station from former owner RKO General.

The quest had begun in 1969, when Mr. Mugar's Community Broadcasting and Dudley Station Corp., a rival black-controlled Boston group, challenged RKO's request for a license renewal. They found fault with RKO's programing, noting, among other things, that the station, WNAC-TV, then an ABC affiliate, didn't even bother to carry the network news.

The challengers also thought the moral character of RKO's parent, General Tire & Rubber Co., under investigation by the Justice Department for illegal trade practices—including allegedly pressuring General Tire suppliers to advertise on RKO stations—should be considered in determining RKO's own fitness to be a licensee.

But in 1974, the Federal Communications Commission issued a preliminary ruling in RKO's favor: General Tire's alleged illegal activities—in a 1970 consent decree, the company had agreed, without admitting any guilt, not to follow the illegal reciprocal trade practices—did not disqualify RKO as a licensee.

"At that point, I decided we had lost the case," Mr. Mugar, 43, recalls. But he decided to persevere and "to see if there was anything we had overlooked about RKO or General Tire's character."

He says, "For me it was just common sense. If General Tire was guilty of wrongdoing, then RKO—which is owned 100% by General Tire and whose people sat on both boards—well, they had to be affected by that."

Mr. Mugar says he was acting on the presumption that "the FCC considers the character of a licensee very important." Looking back, he acknowledges that it was probably because he was a layman and knew nothing of FCC history—the commission had never refused to renew a license because of the misconduct of the station owner's parent company—that he kept up the fight.

In 1975, through a chance introduction by a mutual friend, Mr. Mugar met the man who was to help him win his case, a lawyer named Terry Lenzer, who had served as assistant chief counsel to the Senate Watergate committee. Mr. Lenzer, in turn, asked Scott Armstrong, a former Watergate committee investigator who had joined Mr. Lenzer's law firm (and since has joined the *Washington Post*) to help in the sleuthing.

Mugar: Dream come true

By the end of 1975, Messrs. Lenzer and Armstrong had compiled and delivered to the FCC a 640-page report describing what RKO itself later—but too late, it turned out—acknowledged to be a "plethora of corporate misconduct" by General Tire, including the keeping of secret slush funds for bribing foreign officials and making improper domestic political contributions.

On the basis of the report, Community Broadcasting asked the FCC to reopen hearings on the license. In arguing against the reopening, RKO asserted to the FCC that there was "no factual or legal foundation for this pyramid of charges" against General Tire.

That contention would come back to haunt RKO, because a court would later determine that at the very moment RKO was asserting the innocence of its parent company it knew that the Securities & Exchange Commission had launched an independent investigation of General Tire.

In 1976 the SEC filed a civil action against General Tire, charging it with many of the activities described in the Mugar group's report to the FCC. General Tire agreed to another consent decree, part of which required an investigation by the company's outside directors into the allegations.

Only when that report was issued in 1977 and acknowledged "a plethora of corporate misconduct," as a court that later reviewed the report said, did RKO concede to the FCC that the charges might have merit.

Mr. Mugar thought this surely would cause the FCC to reopen the hearings, but it did not. "The FCC sat on those findings," he says. Indeed, the FCC didn't move until 1978, after Mr. Mugar had struck a deal with RKO, which apparently was becoming weary of the whole thing and increasingly unsure of the outcome, to buy the Boston station for $54 million. The FCC had to okay the sale, and in the process of doing so had to consider the damaging information that had been brought before it.

It was at this point that Mr. Mugar and Bertram Lee, president of Dudley Station Corp., together formed New England Television. "We had to," Mr. Mugar says. "There was no other way to get the case resolved. The FCC would accept nothing less than an agreement among all three parties in the case. Our partnership, like many others, started out of need. And we've stayed together out of need."

In a four-to-three vote in January, 1980, the FCC finally ruled that it would not renew RKO's Boston license, as well as its licenses in Los Angeles and New York.

In effect, the FCC said, the sins of the parent were indeed visited upon the child. Among the more damaging circumstances, reportedly, was that Thomas O'Neill, chairman of General Tire, also was chairman-ceo of RKO General.

RKO appealed the FCC action to the U.S. Court of Appeals, only to find its earlier "failure to come forward with a candid statement of relevant facts," *i.e.*, the SEC investigation, had caught up with it. The court upheld the FCC action, saying that "the record . . . shows irrefutably that the licensee was playing the dodger."

The court said, however, that RKO's "lack of candor" applied only to the Boston situation and not to proceedings involving license challenges to RKO stations in Los Angeles and New York, which are continuing.

RKO asked the U.S. Supreme Court to review the FCC decision, but the court refused to do so. New England Television was the earliest and only recognized applicant for the station, and Messrs. Mugar, Lee and associates found themselves, at last, with a tv station. The company paid $22 million for the station's assets; the station is probably worth $150 million, Boston tv analysts say.

Mr. Mugar is chairman of New England Television and controls about 40% of its stock. Mr. Lee is senior vp and one of three blacks on the board of directors.

Mr. Mugar says blacks own about 13% of the company, which he says gives it the highest minority representation of any major tv station. Edward Fredkin, an MIT professor of computer science, is president-ceo. The shareholders and management are either native Bostonians or live in Boston.

"We feel the local ownership of the station will prove more responsive to the needs of the Boston community," Mr. Mugar says.

He notes that the station's general manager, Winthrop Baker, who began his job June 2, was general manager of WBZ-TV in Boston from 1968 to 1973 and "has lived in Boston for many years. He's aware of its needs. The time he worked at WBZ was a very crucial one in Boston's minority crisis."

Channel 7 is only the second major tv station in U.S. history to have the license of its owners revoked by the FCC. The first was Channel 5, also in Boston, lost by the Herald-Traveler Corp. in 1972 because of a Herald-Traveler official's improper meetings with an FCC official.

Channel 5 was then taken over by a group of local investors promising more local programing. By nearly all accounts, Channel 5—WCVB-TV—has lived up to that promise.

Ironically, the same week that WNEV-TV went on the air last month, with the promise of better programing than was offered under RKO's absentee corporate ownership, an ownership change was also completed at WCVB-TV. There, the local owners sold the station, for a record $220 million, to Metromedia Corp., a New Jersey-based broadcasting company that has at best, according to industry followers, a mixed record in local programing.

Nancy Tait is a business writer based in Chicago.

to 1,725 by May 1.

Next up for WASEC is probably a shopping channel, the timetable for which has undergone a number of revisions.

WASEC is not yet a profit maker for Warner Amex, but the cable tv operation claims to be making money. WASEC also was the largest single seller of national cable tv advertising last year, not only via its own services but by representing Turner Broadcasting System for all advertising sales for Cable News Network and Cable News Network 2 (also see Warner Communications profile).

Warner Amex supposedly is developing technological, creative and marketing ties with Amex's Communications division. The division expanded in an important way when it acquired Mitchell Beazley Ltd., a London-based international publishing concern. Beazley is developing video programing capabilities via a co-production and distribution agreement with the Video Programmes division of Thorn EMI, an international video and music company. The agreement provides for the two companies to produce and distribute specially created video entertainment for the international broadcast and cable tv markets. Beazley claims a number of big selling books and publications, including "The Joy of Sex" and "Random House Encyclopedia."

During 1981, the American Express Publishing Corp.'s two magazines were said to have enjoyed "marked" growth. The profit-maker, *Travel & Leisure*, chalked up record advertising revenues and linage. Ad revenues were up 20% to $18,939,222, according to Publishers Information Bureau, and linage 13%. About 85% of the magazine's subscribers are American Express credit cardholders.

Food & Wine increased its advertising rate base 50% to 300,000 during 1981. On Oct. 1 of this year that rate base is scheduled to rise again, to 400,000. *Travel & Leisure*'s rate base is 925,000.

Ad pages last year at Food & Wine totaled about 300, bringing in ad revenues of $1.6 million, according to PIB. A 30% to 40% increase in linage is anticipated this year. *Food & Wine* recently began offering regional breakouts. Eastern edition has a circulation rate base of 100,000. Western edition's base is 70,000. Life Styles Impact Plan, or LIP, allows advertisers to purchase space in both magazines, either in national editions or regionals. Together the two magazines are estimated to have delivered more than $18 million to Amex's total media revenues.

MEDIA PROPERTIES

Magazines

Travel & Leisure, Food & Wine (American Express Publishing Corp.).

Cable tv/video

As part of 50-50 partnership in Warner Amex Cable Communications, Amex has interests in 146 cable systems in 27 states, with more than 900,000 basic cable subscribers and in excess of 625,000 pay cable customers (see Warner Communications profile). Also, joint venturer in Warner Amex Satellite Entertainment Co., which supplies and distributes two advertiser-supported services, Nickelodeon and MTV: Music Television, and one pay service, The Movie Channel.

OTHER OPERATIONS

Merchandise Sales, Mitchell Beazley Limited, American Express Direct Response, WATS Marketing of America Inc. (affiliate company).

Army Times Publishing Co.

Army Times Publishing Co., Washington, is the country's 93rd largest media company, with 1981 media property revenues estimated by ADVERTISING AGE at $63.3 million, out of estimated total revenues of $94.4 million.

In 1980, the privately held company had estimated media revenues of $55 million out of estimated total revenues of $82.5 million.

About two-thirds of total revenues came from publishing and the remainder from commercial printing and telephone sales of subscriptions for other periodical publishers.

Army Times' Journal newspapers division, which publishes five daily suburban newspapers in the Washington area, began five-day-a-week publication last September, shortly after the *Washington Star* folded. The current daily circulation of 144,017, an ABC figure for the three months that ended last March, reflects a 14% increase in readership since the papers went daily.

However, Journal newspapers is the only part of Army Times Publishing that operates in the red. That's because the switch from a twice-weekly to a daily format required a huge, up-front investment that hasn't begun to spin off profits yet. That is expected to come about in a year or two.

"We decided to defer profits in order to have the long-range profitability of a five-day-a-week vs. a two-day-a-week paper," Henry L. Belber, executive vice-president, said. For now, Army Times will continue to invest in the Journal papers because the company anticipates further growth in that market, he said.

Although it has been rumored that the Journal newspapers were planning to enter the Washington metropolitan area, an Army Times spokesman insists that the company has no such plans. Army Times is best known, of course, for *Army Times* and its kin, *Navy Times*, *Air Force Times* and *Federal Times*. These papers quietly go about their business of providing newspapers to military and other government employes and have reached a combined current circulation of 330,000. The papers' principal target market,

DENVER'S #1 DAILY
JOINS THE NATION'S TOP 20

Los A
Time
The Detroit News
Newsday
The Miam
Inquirer
San Francisco Chronicle
Clevela Plain De
Houston Chronicle
Rocky Mountain News

For the first time in history, a newspaper in the Rocky Mountain region is included in the nation's top 20 newspapers in daily circulation. Denver's preeminent daily, The Rocky Mountain News, scores another resounding success.

Write, call or check our ABC Publisher's Statement 3/31/82, for the complete story of the increasing dominance of the Denver market by the News.

Denver's Extraordinary Morning Newspaper

Rocky Mountain News

A Scripps-Howard Newspaper. Represented nationally by Story & Kelly-Smith, Inc.
ATLANTA • NEW YORK • BOSTON • SAN FRANCISCO • CHICAGO • DALLAS • LOS ANGELES • PHILADELPHIA • DETROIT

the number of persons in active military service, has remained steady at 2 million for the past five years.

Last year was the company's best to date, but "the first quarter of '82 has come up even better than the year before," Mr. Belber said.

He suggested the company's financial health should get even better once the Journal papers reach the profitability expected of them. In addition, the company's profitable printing division is likely to become much more so when Army Times presses begin rolling out 120,000 copies a day of Gannett Co.'s new national daily, *USA Today*, for the Washington market this fall. Army Times and Gannett signed a printing contract recently after the satisfactory printing of two *USA Today* prototypes.

Army Times also is looking at opportunities that may present themselves in related areas like broadcast and cable. The company sees a role for itself in providing programing for Washington-area cable tv systems once the market is wired.

MEDIA PROPERTIES

Newspapers (dailies)

MARYLAND—*Montgomery Journal, Prince George's Journal.* VIRGINIA—*Alexandria Journal, Arlington Journal, Fairfax Journal.*

Newspapers (others)

Air Force Times, Army Times, Federal Times, Navy Times.

Magazines

Times (supplement to the military papers), *Military Market* (trade magazine).

OTHER OPERATIONS

Army Times Telephone Marketing, Journal Newspapers printing division.

A.H. Belo Corp.

A.H. Belo Corp., Dallas, publisher of the *Dallas Morning News*, is the nation's 45th largest media company, with media property revenues of $180.1 million in 1981, of which $121 million or 66% came from newspaper publishing, and $59 million or 32% came from tv and radio broadcasting. Total revenues were $182.3 million.

Media revenues were up 20% from $150.6 million in 1980, which was 96% of total revenues of $157.6 million.

Belo became a publicly owned company last year, although about 42% of its stock remains in the hands of the Dealy family.

Total advertising revenues of the *Dallas Morning News* were $102.3 million in 1981, an increase of 18% from 1980. Revenue increases were the result of higher ad rates and additional ad linage.

Total advertising revenues for WFAA-TV, Dallas, were $41.9 million, up 17% from 1980.

The Dallas Morning News ranks third in the nation in classified ad linage and commands a 57% share of newspaper classified advertising in the Dallas market. The News also surged ahead of its archrival, the *Dallas Times Herald*, in retail ad linage, for the first time in more than 50 years.

Since 1980, Belo has invested more than $2 million in Belo Information Systems On-line Network (BISON), a videotex system, said to be the first such commercial system in the nation. But in May, 1982, Belo said it was suspending operation of BISON until market conditions improve. Only 200 subscribers had signed up for the $10-a-month service that included news stories from the *News* and wire services, financial information, airline schedules and other consumer information.

Competition between the *News* and Times Mirror Co.'s *Times Herald* reached a new pitch this year as the *Times Herald* continued bragging boldly about being dominant in the market, while the *News* overtook the *Herald* in ad linage and asserted its own dominance. Both newspapers expanded news coverage to compete, opening news bureaus around the world and across the nation.

Significant personnel changes at Belo this year include the retirement of Mike Shapiro as president and chief executive officer of Belo Broadcasting Corp. and the appointment of Ward Huey as his successor, moving from executive vp.

Also, Martin Greenberg was named vp/radio at Belo Broadcasting (formerly president, ABC-FM, New York); Dorman Cordell was named chairman and chief executive officer of News-Texan (formerly chief of Texas operations for Associated Press), and Dave Smith, former sports editor of the *Boston Globe* and of the *Washington Star*, was named executive sports editor of the *Morning News*.

MEDIA PROPERTIES

Newspapers

TEXAS: *Dallas Morning News.* Also, area community dailies published by Belo's News-Texan: *Arlington Daily News, Garland Daily News, Grand Prairie Daily News, Irving Daily News, Mid-Cities Daily News, Richardson Daily News, Suburban News.*

Broadcasting

TELEVISION: WTVC-TV, Chattanooga, Tenn.; KFDM-TV, Beaumont, Tex.; WFAA-TV, Dallas. RADIO: KZEW (fm) and WFAA (am), Dallas.

Cable/video

Queen City TeleCommunications, Clarkesville, Tenn.

Providing assistance

In addition to the Advertising Age reporters and editors in all bureaus and free lance writers who wrote media company profiles for this issue, the following people did yeoman work producing this Special Report: Craig Endicott, Ann Helming, Sarah Stiansen and Nancy Tait.

Bergen Evening Record Corp.

The Bergen Evening Record Corp., Hackensack, N.J., is the country's 84th largest media company, with media property revenues of $79.3 million in 1981, or 99% of total revenues of $80.4 million.

The family-owned company's media revenues in 1980 were $73.1 million out of total revenues of $74.2 million.

The corporation's Bergen County-based flagship, the *Record*, the largest evening newspaper in New Jersey, and its semiweekly *Ocean County Reporter* out of Toms River, N.J., ran up combined circulation and advertising revenues of $61.3 million, the *Record* contributing $59 million of that.

Revenues credited to Gateway Communications, the company's broadcasting division based in Cherry Hill, N.J., hit the $18 million mark, a jump from $16.5 million in 1980.

The *Record* is in the midst of a $62 million upgrading project, highlighted by the purchase of two Japanese-manufactured high-speed offset presses and pilot installation of the Swiss-made Ferag inserting system.

The presses, scheduled to be on line in late June, will enable the *Record* to become a full-color newspaper and what corporate officials claim will be the most modern paper in the country.

Already the *Record* is analyzing the possibility of launching a morning paper that would vary in style from the evening publication. A final decision is expected in the fall. However, the *Record* has made it clear that if the *New York Daily News* should fold before research is completed, the Bergen County paper immediately will begin publishing a morning tabloid.

Circulation of the *Record* in 1981 was 146,694 daily and nearly 200,000 on Sunday. While yearend audits reported a slight drop in circulation, which the *Record* claims is "common to today's patterns," 1982 figures to date have pleased company officials.

"Sunday circulation has been growing . . . our daily figures have just begun to show a small plus over the same period last year," said Bob Sapanara, circulation director. He said the gains mark the beginning of a reversal of the circulation decline.

Total full-run linage in the *Record* in 1981 was close to 51 million lines, a 1.4% increase from 1980. General ad linage increased more than 8%, offsetting declines in retail linage.

The new presses will enable the *Record* to produce up to 32 pages of spot color and up to 16 pages of process color in a 96-page publication. The *Record* now has the capacity to print editorial process color on all section fronts and advertising process color on all section backs.

The already-in-use Ferag system allows automated on-line insertion of preprinted material and off-line storage. The Ferag's speed will aid the handling of a growing volume of inserts in the *Record*. In 1981, approximately 114 million pieces were inserted by the paper.

Record board chairman Malcolm A. Borg said the company is excited "about introducing a high-quality color product into a black-and-white newspaper market. We anticipate enthusiasm by readers and advertisers alike."

In existence for 87 years, the *Record* has been owned by the Borg family for more than half a century. Since January, when Gregory Borg sold his 13.5% interest in the corporation and resigned as executive vice-president, the company has been wholly owned by Malcolm Borg and family trusts. Gregory Borg remains on the board of directors.

The company's entrance into new areas of communications is illustrated in the *Record*'s agreement with CBS and AT&T to supply news and service material for the highly publicized CBS/Venture One project which will test videotex in 200 Bergen County residences. Through a computer hookup, the *Record* will supply news and other material to Venture One. The paper in 1981 also produced a series of news programs over local cable television stations and is analyzing more involvement in that field.

These communications experiments are being undertaken, according to *Record* president Michael H. Heath, not with a view to making immediate profit but to "gain some front-line experience in these avenues."

Mr. Heath also said that the modernization "gives us capabilty to do many things . . . the outlook is broader than ever before."

No major changes again were reported at Gateway, whose stations reportedly continue to make headway in syndication.

MEDIA PROPERTIES

Newspapers

NEW JERSEY: *Record* (Bergen County), *Ocean County Reporter.*

Broadcasting

TELEVISION: WBNG-TV, Binghamton, N.Y.; WTAJ-TV, Altoona, Pa.; WOWK-TV, Huntington/Charleston, W.Va.

Blade Co.

The Blade Co., Toledo, O., is the nation's 65th largest media company, with 1981 revenues estimated by Advertising Age at $122.6 million, all from media operations. The privately owned newspaper, broadcast and cable company had estimated revenues of $118.7 million in 1980.

In a significant recent development, the company after several years of effort succeeded in getting Federal Communications Commission permission for Buckeye Cablevision, a wholly owned subsidiary, to unite its program offerings.

Savvy goes a long way

Some readers of Judith Daniels' *Savvy* have thanked her for not making her magazine a feminist vehicle. She says that breaks her heart.

Savvy is admittedly written for the "haves"—those well-educated women whose household incomes average $40,000 a year. That means "we may be elitist," Ms. Daniels says, "but that doesn't mean we're socially irresponsible."

Make no mistake—at age 43, Ms. Daniels thinks of herself as a feminist. *Savvy's* June issue this year carries a "Lamentation," an Editor's Note signed by executive editor Susan Edmiston, that mourns the probable death of the Equal Rights Amendment—"a historic defeat for women."

Ms. Daniels comments: "A lot of women now are going to law school and medical school and business school, but they don't see the generations of fighting that made that possible. And they're reluctant to see how laws [that gave them opportunities] can be changed back."

Even so, her magazine isn't a political vehicle, Ms. Daniels says. *Savvy* speaks to the "whole woman," sometimes in ways that some fast-track female executives might not find easy to swallow.

Along with stories on corporate power plays and investment strategies, the June issue talks about working mothers. The question: Are they cheating their children, and themselves?

In a sense, Judith Daniels is her magazine. She first thought of *Savvy* back in 1975 because "there was no single magazine talking to women I saw every day of my life"—the high achievers who loved their jobs but liked men, and family life, too. She left her job as managing editor of *Village Voice* to work on the magazine idea fulltime for four years before its launch in January, 1980. She gives "most of her time and energy" to it as editor-in-chief of the magazine, published by Savvy Co.

Daniels: A pragmatist

But *Savvy* is a business, and Ms. Daniels is a pragmatist. There's been talk that Playboy Enterprises, recovering from recent jolts, is looking at possible magazine acquisitions. *Savvy* could be one of them.

Of that possibility, Ms. Daniels says: "Mergers happen in business, and that's never frightened me. Playboy is a first class publishing operation. [Merging with them] wouldn't bother me at all." AA

Previously, there were instances in which the cable system had to show different programs—on the same channel—to residents of Toledo and surrounding areas. For the first time, said John Karl, president of Buckeye, the cable company was able to present a unified marketing effort to Toledo residents in late 1981 and early 1982.

In January, 1982, the Blade Cable News came into being. News, provided by reporters for the *Toledo Blade*, the company's flagship media holding, is aired on one of Buckeye's channels from 6 p.m. to midnight seven days a week. It appears in the form of text flashed on the screen, in 16 colors with simple character-generated graphics.

Buckeye has added the CBS Cable Network to its list of offerings. It also has launched a drive to solicit national as well as local advertising for some of its cable channels. Solicitations for advertisers are appearing on various cable networks, and are generating interest, Mr. Karl said.

The system has experienced steady growth, growing from 68,000 households subscribing last year to slightly more than 72,000 subscribers currently. Mr. Karl said Buckeye is strengthening the already existing marketing efforts, which include ads on local television, radio, outdoor and in the *Toledo Blade*.

Two other cable systems owned by the Blade Co., one in Monroe, Mich. and the other in Sandusky, O., are holding their own. The Sandusky operation added 800 subscribers last year, growing to 14,000 subscribers. These operations were purchased by the Blade Co. in early 1981. In Monroe, the company has become one of the country's pioneers in experimenting with two-way cable tv.

A two-way stretch of wiring has recently been completed. It will give 800 homes the capability of simple response to cable programing. Consumers will be able to reply by touching panels that allow four to 15 responses. At the moment, the operation will not allow for full hookup with a home computer or terminal that would allow for complex responses.

All of the cable systems have added channels and offerings during the past year. The most recent addition will be a *Blade* sports and financial news network, slated to appear in the Toledo-area program offerings sometime in the next few months.

Things have been quieter for the *Toldeo Blade* and the company's three other newspaper holdings. Despite being the only paper in town, the evening *Blade* is, like most other newspapers, suffering from the economy and a decline in advertising linage. Ad revenues for the *Blade* in 1981 were slightly better than in 1980, but linage was down.

Ad revenues so far in 1982 are slightly below 1981 levels, said Ben Magdovits, director of advertising for the *Blade*. "The display advertising situation is a little discouraging right now," he said. "We're giving back about half the gains we made in 1981. And printing costs are continuing to rise. A change in the economy would really help."

The economy has created problems for some of the *Blade*'s advertisers, as well. Wickes Furniture Stores, a heavy advertiser, filed for reorganization under Chapter 11 of the bankruptcy laws and no longer advertises. In fact, lamented Mr. Magdovitz, 14 active *Toledo Blade* advertisers went bankrupt during the past year, victims of industrial Ohio's depressed economy.

But the paper's circulation has remained stable, he added. Despite the well publicized problems of evening papers, the company has no plans to switch the Blade to a morning paper or add a morning edition. The other Blade Co. newspapers have managed to avoid significant falloffs in business, as have its two tv stations and one radio station.

The company, owned by brothers Paul Block Jr. and William Block, remains in family hands as it has since 1926. The *Toledo Blade* this year marks its 182nd year of publication.

MEDIA PROPERTIES

Newspapers (dailies)

CALIFORNIA: *Monterey Peninsula Herald.* NEW JERSEY: *Redbank Register* (Shrewsbury). OHIO: *Toledo Blade.* PENNSYLVANIA: *Pittsburgh Post-Gazette.*

Broadcast

TELEVISION: WLFI-TV, Lafayette, Ind.; WLIO-TV, Lima, O.

RADIO: WWSW (am), Pittsburgh.

Cable/video

OHIO: Buckeye Cablevision, serving Lucas, Maumee, Montdera, Perrysburg, Sylvania, Sylvania Township, Toledo, Washington Township, Wood County; Erie County Cablevision, serving Sandusky. MICHIGAN: Monroe Cablevision, serving Monroe.

CBS Inc.

CBS Inc., New York, is the country's second largest media company with revenues of $2.18 billion from media operations in 1981, or 53% of total revenues of $4.13 billion.

In 1980, CBS had media revenues of $2.001 billion and total revenues of $4.06 billion.

Its original and most lucrative business, broadcasting, provided $1.92 billion of the multimedia conglomerate's revenues for the year. Nine magazines, including a newcomer, and the Sunday newspaper supplement, *Family Weekly*, contributed the remainder of media revenues.

Thanks to the CBS/Broadcast Group, CBS Inc.'s operating income managed to hold steady at $190.4 million last year, despite sharply rising tv programing costs, heavy investment in cable networking and a disappointing showing from the publishing group.

However, the cost of shutting down the mass market paperback book unit cut net income to $163.8 million from 1980's $189.7 million.

The CBS-TV Network, the corporate family's star advertising vehicle, maintained a comfortable edge in the prime time Nielsen ratings but continued to lag behind rival ABC-TV Network in billings. ABC-TV, according to Broadcast Advertisers Reports estimates, pushed past the $2 billion mark, considerably ahead of CBS-TV's $1.898 billion.

Even in the midst of celebrating the fourth consecutive prime time audience win, CBS execs could sense nagging signs of trouble ahead at CBS, because of the company's sluggish financial performance and the desire of volatile chairman and founder William S. Paley to be No. 1 in as many things as possible.

ABC's strength in the influential May local tv rating sweeps could be a harbinger of a closer nighttime race next fall. Locally, in markets where they compete head on with owned and operated stations, ABC generally outclassed CBS in the crucial November '81 sweeps, and looked particularly good with the sponsors' darlings, women 18 to 49. In New York, WCBS-TV was third to WABC-TV and WNBC-TV in sign-on to sign-off audiences, deflating the CBS station's advertising rates.

The pressures appear to be strongest at CBS News, now headed by Van Gordon Sauter, formerly of CBS Sports, who succeeded the retiring Bill Leonard. CBS News nervously watched viewers begin to sample other channels after Dan Rather was promoted somewhat earlier than originally contemplated to succeed Walter Cronkite as anchor on the "CBS Evening News."

A pinch of show business, including the loosening up of a sweater-garbed Mr. Rather, is credited with helping to hold off the advancing ABC "World News Tonight," but the competition remains tense. Mr. Sauter also must breathe life into the floundering early-morning wakeup show. Even with fresh faces and slicker promotion, this show usually runs far behind ABC's "Good Morning America" and NBC's "Today" in the Nielsens.

At the same time, CBS has been responding to news competition from Turner Broadcasting System in Atlanta. After Ted Turner began assiduously wooing over-the-air stations for his Cable News Network 2 lineup, an offer especially appealing to telecasters looking for overnight fare, CBS countered with its own bartered late-night news service. Several CBS affiliates bought the Turner service.

CBS spent $40 million on cable tv research and development last year. Its principal cable venture, CBS Cable, so far has had more success amassing press clippings than cable subscribers and affiliates. The pop cultural miniservice attracted more advertising than Hearst/ABC's ARTS, but not nearly enough to absorb the red ink. Many industry observers expect CBS Cable to be revamped once CBS/Fox Inc. gets rolling. Some think it will change quickly into a premium pay tv operation.

A restated 1982 first-quarter financial report dramatized the impact of the heavy investment in the developing technologies. The revamp, which dropped net income 14% to $12.2 million from the $14.2 million originally reported, was made because CBS decided not to defer the CBS Cable Network losses. Earlier, it had planned to include its cable operations in a joint cable venture with Twentieth Century-Fox Film Corp., starting with the second quarter, but the venture hadn't been finalized in time.

CBS/Fox will produce software for all the new video forms and will put CBS into the premium pay cable market for the first time. CBS is testing the marketing potential of teletext, using the vertical blanking interval to broadcast text and graphics material to home receivers over its Los Angeles station. Videotex, a cabled text system capable of two-way communication, will be tested in conjunction with American Telephone & Telegraph. CBS is not likely to market both on a major scale.

Some analysts believe ABC has outdistanced CBS in product development for over-the-air stations with its proposed Home View Network. ABC will test subscription tv to deliver movies and other pay attractions to videocassette recorder homes late at night, for playback at their convenience.

In 1981, CBS broke the regulatory line against Big Three tv network ownership of domestic cable companies. The Federal Communications Commission granted the network a waiver to own systems serving up to 90,000 homes for experimentation with the new techniques. The company had no difficulty buying Blackhawk Cable Communications in the Dallas/Fort Worth suburbs, but hit a snag in a bid for a newbuild franchise assignment in Alameda, Cal. The winner was United Cable, the country's 12th largest multiple systems operator.

At the publishing group, headed by Peter Derow, magazine ad pages in 1981 fell slightly from 1980, although the group's nine magazines and *Family Weekly* posted a 5% gain in ad revenues. But earnings for CBS/Publishing Group fell slightly last year.

The company's total number of magazines remained constant, but there was a change in titles. CBS sold *Pickup Van & 4WD* and acquired *Cuisine* after that magazine filed a bankruptcy petition. *Cuisine* has done exceptionally well in revenues, up 80% in the first quarter this

Magazines: The hot books

Magazine	%Increase in ad pages, 1981
AutoWeek	22.4%
Bon Appetit	21.8%
Money	21.8%
Architectural Digest	20.3%
Town & Country	19.4%
Harper's Bazaar	19.1%
Fortune	18.8%
Vogue	16.9%
The Washingtonian	15.7%
Gentlemen's Quarterly	14%

Source: Advertising Age.

...and the not so hot

Magazine	%Decrease in ad pages, 1981
Redbook	−16.2%
Ladies' Home Journal	−15.7%
United Mainliner	−14.9%
Popular Science	−12.8%
Mechanix Illustrated	−11.6%
House & Garden	−11.3%
Dun's Business Monthly	−10.4%
Organic Gardening	−9.3%
Woman's Day	−8.6%
U.S. News & World Report	−7.2%

Source: Advertising Age.

year, and pages, up 58% in the quarter, but the company has decided to cut the magazine's circulation base of 750,000 by 25,000 and to lower ad rates 3.3%.

Over-all pages for the group were down about 6% for the first quarter, while revenues inched up 1%.

There were fewer traumatic personnel shifts than usual at CBS Inc. The CBS/Broadcast Group was restructured under president Gene Jankowski. Two group exec vps were added: James Rosenfield, formerly president of the CBS-TV Network, and Thomas Leahy, promoted from senior broadcast vp.

Robert Krefting shifted from head of special-interest magazines to president of consumer publishing, and Peter Diamandis of Gruner & Jahr replaced Peter Bonanni as publisher of *Woman's Day*.

Mr. Paley and Thomas Wyman, in his second year as CBS Inc. president, have assured stockholders that CBS will continue to be the preeminent provider of entertainment and information for the consumer at the end of the 1980s just as it was at the beginning. The technological explosion notwithstanding, that leadership still will rest mainly on the appeal and strength of the CBS-TV conventional, over-the-air network, they predicted.

MEDIA PROPERTIES

Magazines

Audio, American Photographer, Cuisine, Cycle World, Family Weekly, Field & Stream, Mechanix Illustrated, Road & Track, Woman's Day, World Tennis.

Broadcasting

TELEVISION: KNXT-TV, Los Angeles; WBBM-TV, Chicago; KMOX-TV, St. Louis; WCBS-TV, New York; WCAU-TV, Philadelphia.

RADIO: RADIORADIO network; KCBS (am) and KRQR (fm), San Francisco; KNX (am, fm), Los Angeles; WBBM (am, fm), Chicago; WEEI (am, fm), Boston; KMOX (am, fm), St. Louis; WCBS (am, fm), New York; WCAU (am, fm), Philadelphia.

Cable/video

CBS Cable: 20% interest of Netcome Inc., which owns systems in Quebec; 18.44% of Premier Communications Ltd., British Columbia.

OTHER OPERATIONS

CBS/Columbia Group, CBS Theatrical Films division, CBS Records Group, CBS Technology Center, CBS Video Enterprises.

CSX Corp.

CSX Corp., Richmond, Va., is the 96th largest U.S. media company, with media property revenues of $61.6 million last year, from its Florida Publishing Co. and Clay Video subsidiaries. CSX Corp. is primarily a railroad holding company; its total revenues last year were $5.43 billion.

Media revenues were up 12% last year from $55 million in 1980. They came from cable and newspaper properties.

Florida Publishing, publisher of the morning *Florida Times-Union* and the evening *Jacksonville Journal* in Jacksonville, Fla., has always been owned by a railroad. In 1974, Seaboard Coast Lines Railroad gained 100% control of the company, and when Seaboard merged with Chessie Rail System in November, 1980, Florida Publishing became a wholly owned subsidiary of the newly formed CSX Corp.

Florida Publishing also owns *The St. Augustine Record*, a six-day publication with a circulation of 10,000, and the weekly Crescent City *Courier-Journal*, with a circulation of about 2,000 readers.

In the past year, Florida Publishing sold the *Flagler Tribune* and the *Ormond Beach Halifax*, which both served the Daytona Beach area, to the *Daytona Beach News Journal* for an undisclosed price.

According to Joseph Butler, vp-finance with Florida Publishing, the company decided to sell the Daytona Beach properties when it determined that the area's population growth wouldn't meet projections. In addition, Mr. Butler said, it was difficult for the two papers to compete with a strong, daily newspaper. Florida Publishing believes its divestitures were well timed, he said: "We were able to realize substantial gains in terms of both properties."

Florida Publishing expanded its printing operation last year to be able to offer a commercial printing service. A new offset printing press was installed at the company's St. Johns publishing division in St. Augustine, Fla., to accommodate the commercial printing venture. Florida Publishing also does commercial printing at its Jacksonville headquarters. Preprinted advertising inserts provide substantial revenue opportunities, the company said.

In the early 1970s, Florida Publishing acquired a 20% interest in Area Communications, a cable system that serves 55,000 subscribers in the Jacksonville area. Since that acquisition, it has diversified and grown modestly in cable.

Area Communications was granted a 15-year cable franchise for the city of Jacksonville in 1978. The system's initial phase of construction should be completed by year's end, by which time Area Communications expects to serve 70,000 subscribers.

Coast Line Communications, set up by CSX in November, 1980, is a separate subsidiary designed to provide marketing and advertising services both for CSX's cable systems and outside cable companies. Coast Line has an agreement with Area Communications and other systems to provide advertising inserts for local advertisers using its own inserts and those made available by cable networks such as Ted Turner's Cable News Network and the CBS cultural cable service.

Coast Line's production capability is being used by CSX's own 24-hour local news and information cable tv channel—Cablevision 12. The channel, which operates on the Area Cablevision systems, provides information to viewers in alpha-numeric form. Cable news staffers at Florida Publishing feed local and regional news, sports and other information to the channel's 50,000-person audience in Jacksonville. The system also has teletext wire service feeds.

Cablevision 12 also produces experimental video programs. This, Mr. Butler said, "is letting us get our feet wet in cable programing." Offerings include consumer-oriented programs like "Auto Shop," "Consumer Kitchen" and "Reporter's Notebook," a live, call-in show.

Clay Video, CSX's wholly owned cable subsidiary, currently reaches 10,000 homes in suburban Clay County, which surrounds Jacksonville. The cable subsidiary was acquired in August of 1980.

Clay Video has made three small cable acquisitions. One is an additional franchise for Clay County. The second is a municipal franchise for a system that is yet to be built in an adjoining county. In January, 1981, Clay acquired the Fernandian Cable Television Co., which serves a resort area in the northeastern corner of Florida. The system has around 2,800 subscribers.

CSX's media subsidiaries are continually seeking out profitable opportunities in media, and have several new media ventures pending. "We want to be a diversified communications company—not just a newspaper publisher—and one that serves a specific geographic area," Mr. Butler said. "Our commitment is to southeastern Georgia and northeastern Florida."

MEDIA PROPERTIES

Newspapers (dailies)

FLORIDA: Florida Times-Union (Jacksonville), *Jacksonville Journal, St. Augustine Record.*

Newspapers (nondailies)

FLORIDA: *Courier-Journal* (Crescent City).

Cable/video

Clay Video, Area Communications (20% owned by Florida Publishing Co.), Cablevision 12 (cable tv production facility).

OTHER OPERATIONS

Chessie System Railroads, Coast Line Communications (advertising and marketing services to cable TV systems), CSX Beckett Aviation, CSX Minerals, CSX Mineral Development Co., CSX Hotels (owner and operator of the Greenbrier Resort Hotel in White Sulphur Springs, West Virginia, and partial interest in two other properties), CSX Resources (real estate holdings, oil and gas ventures), Family Lines Rail Systems, New River Co. (coal mining), Richmond, Fredericksburg and Potomac Railroad Co., St. Johns Publishing (commercial printing).

Some unreclusive comments

By Ann Helming

It seems that life isn't getting any easier for the multimillionaire wheeler-dealer. Take the case of Edward L. Gaylord, the 62-year-old "reclusive" head of Oklahoma Publishing Co., a little concern worth about half a billion dollars.

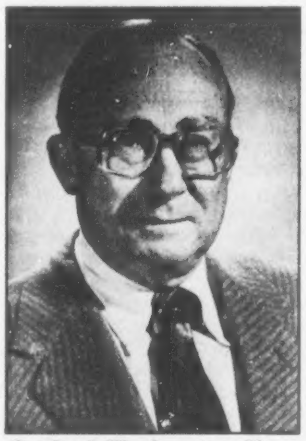
Mr. Gaylord is reputedly one of the richest and most powerful men in his oil-rich state. Much of the power, as well as the wealth, is inherited. Mr. Gaylord is the son of Edward King Gaylord, an Oklahoma pioneer who looms large in the history of the state.

The elder Mr. Gaylord also cast a long shadow on his son. Edward King Gaylord ran Oklahoma Publishing until his death at the age of 101 eight years ago. It was only then, at the age of 54, that Edward L. Gaylord was allowed to show that he might be more than just his father's son.

In attempting to do that, partly by extending the company's media holdings and adding acreage to its assets, he has generated a fair amount of controversy in the state, as well as some unfavorable comparisons with his father: He doesn't wield authority nearly as effectively as Edward King Gaylord, it's said. He doesn't command as much respect. He is aloof.

In an interview, Mr. Gaylord rejects such characterizations as unkind cuts. He says he is anything but a loner, spending about half his time on "civic" activities, such as the Oklahoma Industries Authority, Oklahoma Christian College and the Cowboy Hall of Fame, which Mr. Gaylord says is "a major tourist attraction in the state."

It's his 20-year chairmanship of the Oklahoma Industries Authority, a development trust affiliated with the state Chamber of Commerce, that he's proudest of, Mr. Gaylord says. True, the tax-exempt body did run into problems with the state's attorney general, who wanted a look at its books a while back, a request that Mr. Gaylord politely declined. Some people in the state have suggested that the authority has been run in part for the benefit of its trustees; Mr. Gaylord stoutly denies that and points to the more than 200 plants, among them a General Motors assembly plant, and the thousands of jobs he says the authority has brought to the state.



Gaylord: Work, not welfare.

Mr. Gaylord's word for himself, and his holdings, is "conservative." He says his two Oklahoma City newspapers, the *Times* and the *Daily Oklahoman*, his "most significant properties," are "conservative—not bubble-headed like the *New York Times* and the *Washington Post*."

He himself is a registered Democrat, but "not very proud of it," and has voted Republican for the last 30 years. "Ronald Reagan is a great American and we're all for Reaganomics," he says. To the obvious question, then, Mr. Gaylord explains that he keeps his Democratic registration so he can vote against especially loathed Democratic candidates in state primaries.

Mr. Gaylord serves Oklahoma Christian College as head of its board of directors because, he says, "They teach young people to work for a living, not to go on welfare." He and 25 other business leaders, mostly Oklahomans, helped raise $15 million to build an institute called Enterprise Square U.S.A. that will open on campus in November. Its aim, he says, is to "foster free enterprise," a system that he readily admits has served him well.

Meanwhile, back at the ranch, Mr. Gaylord's diversification moves for Oklahoma Publishing include some land buys up north, between Colorado Springs and Denver, that he says have good long-term development prospects.

The biggest buy, just a year ago, was $11 million invested in a ranch. Oklahoma Publishing also has added a film production company, a radio station, two tv stations and a newspaper in Colorado Springs in recent years. Plans are in the works for more tv and movie production, which Mr. Gaylord says looks "very profitable."

Some other ventures haven't panned out. After three years of fighting for control of Standard Metals Corp., a Colorado gold and silver mining operation, Mr. Gaylord and a partner backed off. He now says he would sell his 25% stake in the company "if we could find a buyer."

In the course of becoming his own man, Mr. Gaylord has upset a number of people, including the folks at an Oklahoma City tabloid who reportedly printed up some bumper stickers proclaiming that "Will Rogers Never Met Eddie Gaylord."

People who talk like that are just "enemies," Mr. Gaylord says.

Ann Helming is a business writer in Chicago and frequent contributor to Magazine/Special Report.

Cahners Publishing Co.

Cahners Publishing Co., Boston, is the country's 59th largest media company, with revenues of about $130 million from media operations for fiscal 1982, which ended March 31. That's an increase of 30% from fiscal 1981 media revenues of $100 million.

Media revenues represented 75% of the company's total revenues of about $160 million last year, up from the previous year's total revenues of $150 million.

Cahners is the U.S. operation of United Kingdom-based Reed Holdings Inc. Media revenues of Cahners came from 28 trade magazines, most of which have controlled circulation. Media revenues, therefore, are primarily from advertising.

In January the company reorganized, combining its Boston and Chicago magazine divisions into one, and dividing the magazines into four groups based on subject matter.

A new management structure was put into place as well. J. A. Sheehan was named president of the united magazine division. He had been president of the company's Chicago operation. William M. Platt, who had been president of the Boston division, was named exec vp of the unit.

The company named group vps for each of the four publishing groups. Ellsworth Brown, formerly publisher of *Purchasing*, heads the manufacturing industries group; Harold J. Sugarman, publisher of *Building Supply News*, tops the building/construction group; former *EDN* publisher H. Victor Drumm is group vp of the electronics/computer group, and *Restaurants and Institutions* publisher David Wexler heads the foodservice group.

In an interview at the time he was named president of the magazine group, Mr. Sheehan said the company plans to continue its past growth rate through "an aggressive acquisitions policy and an aggressive attitude toward launches." Since the end of 1981, however, there have been no acquisitions or launches on the part of Cahners.

Mr. Sheehan also said Cahners is interested in general circulation and newsstand publications, both consumer and business, indicating that a general circulation opportunity would be through acquisition, not a Cahners launch.

Although the company's results show gains for this fiscal year, "the place we have really been hurt is in the tight construction industry," Mr. Sheehan said.

Cahners also operates the Exposition Group as an adjunct to its magazines. This group produces publications that are distributed at industry trade shows.

MEDIA PROPERTIES

Magazines

African Construction, Appliance Manufacturer, Brick and Clay Record, Building Design and Construction, Building Supply News, Ceramic Industry, Construction Equipment, Design News, EDN, Electronic Business, Electronic Packaging and Productions, Electro-Optical Systems Design, Hotels & Restaurants International, Foodservice Equipment Specialist, Mini-Micro Systems, Modern Materials Handling, Modern Railroads/Rail Transit, Package Engineering including Modern Packaging, Plastic World, Professional Builder & Apartment Business, Purchasing, Restaurants and Institutions, Security Distributing & Marketing, Security World, Semiconductor International, Specifiers Guide to Mechanical & Electrical Products, Specifying Engineer, Traffic Management.

Annual directories

Transportation/Distribution Equipment Directory, U.S. Industrial Directory.

Magazines: The Money Makers

	1981 Ad Revenues	% Change from 1980
Weeklies:		
1. Time	$253.4 million	+13.4%
2. TV Guide	$239.3 million	− 0.1%
3. Newsweek	$200.2 million	+13.6%
4. Sports Illustrated	$154.2 million	+19.8%
5. People	$136.1 million	+27.8%
Monthlies:		
1. Reader's Digest	$112.9 million	+12.9%
2. Good Housekeeping	$103.6 million	+14.8%
3. Better Homes & Gardens	$100.7 million	+ 4.8%
4. Family Circle	$ 95.1 million	+ 5.2%
5. Woman's Day	$ 88.9 million	− 7.9%

Source: Publishers Information Bureau

Capital Cities Communications

Capital Cities Communications, New York, is the country's 15th largest media company, with 1981 revenues of $573.8 million, all from media operations. Net income was $80 million vs. the $70 million posted a year earlier, when revenues were $472.1 million.

Well over 60% of the publicly owned company's revenue was derived from its magazine and newspaper holdings, with the remainder coming from broadcast and cable properties.

By all accounts, the company's most significant accomplishment in 1981 was its becoming a major factor in the cable tv business with the acquisition of Cablecom-General for $139 million.

Combining Cablecom's systems with a few already under Capital Cities control gave the company 51 separate systems operating in 16 states. Capital Cities said it expects a positive earnings contribution from its cable systems by this year's fourth quarter.

Capital Cities, until 1968 exclusively a broadcast company, has found that cable tv is winning viewers with some of its alternative offerings, particularly with theatrical films and some sports events.

The company has noted that "there is little doubt that there will be a continuing gradual reduction in audience totals delivered by the three commercial networks, and therefore our stations as well."

The company added that, "while we are not alarmed by this trend," it makes it even more important that Capital Cities stations "excel in all programing efforts, especially local and regional news."

In 1981 the broadcasting division posted a 16% gain in revenues to $193 million. Television stations enjoyed a 20% gain in national spot sales and a 14% increase in local sales. Meanwhile, its owned radio stations posted an over-all 11% revenue gain, with Fort Worth and New York properties making above average gains.

Of the six vhf stations owned by Capital Cities, its outlets in Philadelphia (WPVI-TV), Houston (KTRK-TV) and Buffalo (WKBW-TV), are the clear-cut ratings leaders in all the important local news segments, including early and late evening news. WTNH-TV in New Haven and WTVD in Raleigh-Durham are solid challengers to the top spot. The Fresno outlet, KFSN-TV, is the evening news leader, though it lags in morning ratings.

Chairman-ceo Thomas Murphy has said that Capital Cities is interested in boosting its tv ownership to the full complement allowed, five vhf and two uhf stations. Thus, in 1981, serious discussions were held about the acquisition of several different uhf outlets in major markets. But through late May this year no firm deals had been struck.

Of the 14 am and fm radio stations owned by the company, none ranked lower than 10th in any market, and the 10th ranked station was in Los Angeles where over 40 stations attain Arbitron ratings. In several cities the Capital Cities station was top ranked.

WBIE-FM was added to the fold in 1981, bringing the company to its full complement of seven fm and seven am stations.

Also within the broadcast division is the company's programing arm, Capital Cities Television Productions. During 1981 that unit produced three one hour documentaries and in association with Paulist Productions, five dramas dealing with problems confronting young people. Among the documentaries clearing 93% of the country were "For Better? For Worse? The American Family" and "Runaway: Where are They Now."

At the end of 1981 the company's Cable Television division counted about 290,000 subscribers, of which nearly 170,000 had a premium cable service. The cable operation is split into three regional divisions: Western, Northern and Southern. Capital spending in the division in 1981 topped $27 million.

However, the company has decided that prospective rates of return on major new franchises are lower than what it considers acceptable to get involved in "overheated" bidding. Thus it currently isn't seeking any major cable franchises.

The company expressed strong optimism for cable business, noting that "historically, Cap Cities growth has come through the acquisition and subsequent improvement of existing properties."

The company's publishing division, which includes such diverse holdings as the *Fort Worth Star Telegram* and *Entree*, a monthly for the gourmet retail trade, posted record sales and earnings in 1981, despite "experiencing intense cost pressures as a result of expanded operations, increased newsprint prices, additional personnel and the effects of the high rates of inflation."

The company owns a number of pennysaver operations but late last year it terminated the operations in Tulsa and Dallas; the pennysaver operations will continue, however, in Wichita and Topeka and in Missouri.

Within the publishing division, the specialized publications group had a strong year, but Cap Cities Professional Press suffered revenue declines.

MEDIA PROPERTIES

Newspapers (dailies)

ILLINOIS: *Belleville News Democrat.* MICHIGAN: *Oakland Press* (Pontiac). MISSOURI: *Kansas City Star, Kansas City Times.* OREGON: *Albany Democrat Herald, Ashland Daily Tidings.* PENNSYLVANIA: *Wilkes-Barre Times Leader.* TEXAS: *Fort Worth Star Telegram.* Also, three Fairchild Publications business dailies: *American Metal Market, Daily News Record, Women's Wear Daily.*

Newspapers (nondailies)

CONNECTICUT: Shore Line Publications:*Advertiser*, (in Branford, East Haven and North Branford), *Branford Review, Clinton Recorder, Hamden Chronicle, Niantic News* (East Lyme and Waterford), North Haven Post, Pictorial (Chester, Deep River, Essex, Lyme, Old Lyme, Saybrook, Westbrook), *Shoreline Times* (Guilford, Madison), *Wallingford Post.* OREGON: *Albany Stamp Collector, Albany Stamp Wholesaler, Cottage Grove Sentinel, Gresham Outlook, Lebanon Express, Newport New Times, Sandy Post, Springfield News.* KANSAS: *Pennypower Shopping News* (Topeka, Wichita, Springfield, Mo). Also, Fairchild Publications nondailies: *Energy User News, HFD-Retail Home Furnishings, Multi Channel News, Sportstyle, Supermarket News, W.* Also, International Medical News Group, Professional Press Group.

Magazines

Entree, Heat Treating, Home Fashion Textiles, Men's Wear, Metal/Center News..

Broadcasting

TELEVISION: KFSN-TV, Fresno, Cal.; WTNH-TV, New Haven, Conn.; WKBW, Buffalo, N.Y.; WTVD-TV, Durham-Raleigh, N.C.; WPVI-TV, Philadelphia; KTRK-TV, Houston.

RADIO: KZLA (am, fm), Los Angeles; WBIE (fm), Marietta, and WKHX, (fm), Atlanta, Ga.; WJR (am, fm), Detroit; WKBW (am), Buffalo, N.Y.; WROW (am, fm), Albany, N.Y.; WPRO (am, fm) Providence, R.I.; WBAP (am) and KSCS (fm), Dallas/Fort Worth.

Cable/video

ARIZONA: Clifton, Cottonwood, Globe, Holbrook, Page, Safford, Show Low, Winslow. CALIFORNIA: Burlingame, Modesto, Oakdale, Santa Rosa. ILLINOIS: Highland Park. INDIANA: Greenwood. IOWA: Sioux City. KANSAS: Abilene, Beloit, Cly Center, Concordia. MICHIGAN: Plymouth, Saline. MISSISSIPPI: Clarksdale, Gulfport. MISSOURI: Brookfield, Joplin, Kirksville, Trenton. NEBRASKA: Norfolk. NEW MEXICO: Rio Rancho, Roswell. NORTH DAKOTA: Fargo. OHIO: Green Township. OKLAHOMA: Altus, Ardmore, Hobart, Idabel, Mangum, Miami, Ponca City. TENNESEE: Dyersburg. TEXAS: Aransas Pass, Bonham, Childress, Denison, Lampasas, Lufkin, Memphis, Odessa, Port Lavaca, Sherman, Wellington.

Central Newspapers

Central Newspapers, Indianapolis, is the country's 25th largest media company, with 1981 revenues estimated by ADVERTISING AGE at $304.5 million with all coming from newspapers, compared with the AA estimate restated from 1980 of $246.1 million.

The privately owned company publishes seven daily newspapers in Indiana and Arizona, with a combined daily circulation of 795,000.

Six are the a.m. and p.m. papers in Phoenix, Indianapolis and Muncie.

The *Vincennes Sun Commercial* is an afternoon product with a Sunday edition.

Both revenues and readership increased at Central in the past year. In fact, to accommodate the growing circulation of its Arizona newspapers, an $18 million satellite printing plant is nearing completion in Mesa, Ariz., to aid the overburdened main plant in Phoenix. The new plant is to begin operating in August. Remodeling and upgrading of facilities continue at the Indianapolis papers as well.

Last month, Central made its first venture into cable. Through its new subsidiary, R/G Cable, the company has leased three channels in Phoenix from Storer Broadcasting Co. The one-way cable system reaches 20,000 subscribers in the Phoenix area.

The first channel, which began operating in May, brings viewers classified advertising in text form. The advertising must run in the newspaper first, and advertisers seeking cable exposure pay an additional charge.

The second channel is planned as a news program, due to start on Sept. 1. Plans for the third channel haven't been announced.

Company execs say they plan to diversify further into cable, while keeping newspapers the mainstay of the company. "We're watching the cable business very carefully," said Frank Russell, president of Central Newspapers.

MEDIA PROPERTIES

Newspapers

ARIZONA: *Arizona Republic, Phoenix Gazette.* INDIANA: *Indianapolis Star, Indianapolis News, Muncie Press, Muncie Star, Vincennes Sun-Commercial.*

Cable/video

R/G Cable, operating three channels in Phoenix area.

Where there's a W(ill), there's a W(ay)

By Susan Spillman

"When this company decided to get into cable it decided to do it in a big way."

—Daniel Ritchie,
chairman,
Westinghouse Broadcasting
& Cable

Westinghouse is indeed into cable in a big way. One important symbolic indication of that was a recent name change: Westinghouse Electric Corp.'s Westinghouse Broadcasting subsidiary, the nation's oldest and fourth largest traditional broadcaster, is now known officially as Westinghouse Broadcasting & Cable.

Yet less than two years ago, even cable entrepreneur Ted Turner, who now finds himself in pitched battle with Westinghouse, would have been hard-pressed to recall where the company's six 12-channel cable systems were located, although a couple were in his own Georgia backyard.

But today Westinghouse:

- Has become the third largest multiple systems operator and half owner of the Showtime pay tv network, through its $646 million acquisition of Teleprompter Corp.
- Is taking on Mr. Turner's Cable News Network with its own brand of around-the-clock video news.
- Has entered into a partnership with Walt Disney for the creation of a Disney cable channel.
- Owns the small Portland, Me.-based Home Theatre Network pay service.
- Is the marketing and ad sales representative for the proposed Nashville Network and the two-year-old Black Entertainment Television service.

In short, Westinghouse rapidly has built itself into a cable empire. In just 18 months the company whose sole cable interests previously consisted of 65,000 subscribers in two states is poised to rival the prominence of industry leaders Time Inc. and Warner Amex.

To emphasize its cable prominence, Group W Cable earlier this month launched the first national advertising campaign ever undertaken by a multiple systems operator. The campaign attempts to position Group W Cable as a home entertainment marketer rather than a mere utility provider.

Broadcast operations contributed the majority of Westinghouse Broadcasting's $431.9 million in revenues in 1981. (Revenues of Teleprompter, which has become Group W Cable at Westinghouse, were included only since July, when the acquisition became final.) But this year broadcasting and cable will be equal in revenues, and by 1987 cable revenues will substantially surpass that of broadcasting, says Mr. Ritchie, the chairman and chief executive officer of Westinghouse Broadcasting.

Hayes: Not anti-Turner.

Ritchie: Big plans.

Westinghouse is sinking $300 million in capital investment into its cable properties this year. The bulk will go to revamp systems neglected under Teleprompter management. Over the next five years Westinghouse plans to spend $1.2 billion to expand the channel capacity of these systems in order to make room for the program offerings of its sister company, Group W Satellite Communications. By 1983 all of Group W's systems will have at least 20 channels, according to Group W Cable president Chris Derick.

Mr. Derick, former president of Viacom International's cable subsidiary, was wooed away from the presidency of the Comcast Corp., a Pennsylvania multiple systems operator, by Group W only six months ago. In addition to upgrading the company's 130 systems, Mr. Derick is playing catch-up for Group W, trying to win it what additional markets he can in the final stretch of the franchising race.

Teleprompter had been slow to enter the franchising gold rush of the late 1970s, and for the most part it was unsuccessful when it finally did. After a proxy fight for company control that resulted in new leadership, Teleprompter returned to profitability but not until franchising had become a highly competitive and expensive game.

Enter Westinghouse. With deep pockets and a sparkling public image, Westinghouse beefed up the mso's bidding efforts from coast to coast.

Yet some competitors, pointing to Group W's failure to win any major-city cable franchises, claim it has done so with little more success than Teleprompter. "We have not been very successful in the larger cities because we may not be very good at playing politics," concedes Mr. Ritchie, "but we have done well in the smaller and medium size cities. We've added 400,000 homes in the last year, which is the equivalent of two Denvers."

The reference to Denver is more than a casual one. Group W Cable's losing in its effort to land that coveted franchise earlier this year is a sore spot with Mr. Ritchie, whose personal acreage in the state of Colorado is second only to that of the federal government's. "In Denver our offer was the best," he claims, "but we don't have the head for those kind of politics—it runs against everything this company stands for. We don't feel comfortable competing in that fashion and past a point I would rather lose.

"I'm not referring to anything illegal. We'd never do that as I presume the others wouldn't either. It's just that in big cities you deal with full-time politicians. In the smaller franchises the council members are businessmen and community leaders."

Group W was the only mso competing for the 220,000-home Denver franchise that was not headquartered in the city. The winner was Mile-Hi Cable, a joint venture between Time Inc.'s Denver-based American Television & Communications and Daniels & Associates. As is often the case in big city franchising, Mile-Hi included local ownership of 22 prominent citizens such as former council member John Yelnick.

On another front Westinghouse has been involved in what has become an almost amusing battle, that between its programing subsidiary's just-launched Satellite News Channels and Ted Turner's Cable News Network. Westinghouse flipped the switch on its estimated $100 million investment on June 21, beaming the service to 2.6 million cable viewers across the country.

In one corner there is Ted Turner, the dashing and disheveled southern entrepreneur who poses for scotch ads and plots the demise of the networks. Banking on loyalty, Mr. Turner collects 20 cents per subscriber from system operators for his two-year-old news network. In the other corner there are the gray pinstriped peddlers from Westinghouse, teamed with ABC in this venture, handing out 50 cents per subscriber to operators willing to let them get their foot in the door with the new news service.

"I have asked our people to go out of their way not to be anti-Turner," stresses Jonathan Hayes, president of Group W Satellite Communications. "I don't see that there's anything to gain by that. In a very basic way it's not polite."

A lack of politeness has long been one of the most notable qualities of Mr. Turner, who at a press conference held early in the battle labeled Westinghouse's proposed service a "second-rate horse shit operation."

Despite Mr. Hayes' plea, the barbs, however, have not always been one-sided. There was marketing vp Ron Castell's speech to a cable group, which, complete with diagrams, purported to show how CNN dilutes its service by using the same tape on both CNN 1 and 2 and Turner's Superstation WTBS and by selling portions to broadcast stations. Even Mr. Ritchie can't resist jabbing: "If you have not watched the Turner channel you ought to watch some time. If we can't do considerably better than that, we ought to fail."

Once Satellite News Channels 1 is under way, the company will focus on its proposed second news service, featuring in-depth rather than headline coverage. Satellite News Channels 2 is aiming for a spring, 1983, launch. That same year Westinghouse plans to introduce the Disney Channel, a 16-hour-per-day pay service programed with a mix of Disney classics and original family fare produced at Disney's EPCOT (Experimental Prototype Community of Tomorrow) center, now under construction at Disney World in Florida.

In 1983, the company also plans to roll out marketing for the Nashville Network, an ad-supported service of country programs owned and to be produced by Opryland Productions.

After that Westinghouse plans to introduce additional cable services, "but right now those are still gleams in our eyes," Mr. Ritchie says.

"Cable is not just another thing for us," he adds. "This is make-it or break-it time." **AA**

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Charter Co.

Charter Co., the nation's 38th largest media company, had 1981 media property revenues of $202 million, representing about 4% of the company's total revenue of $4.97 billion. This compares with $296 million in media revenues out of total revenues of $4.56 billion in 1980.

The Jacksonville, Fla.-based company, which once said it wanted to become an important factor in communications, is fading from the scene as a media company. In the last six months it has been carrying out a mass divestiture of its media properties. When pending sales are completed, the company will be left with only a trade magazine and *Ladies Home Journal*, both of which Charter acknowledges are on the block.

In a statement on the company's strategy in February, Raymond K. Mason, Charter's chairman, said, "We have been discontinuing unprofitable operations and redeploying assets" since the 1979 acquisition of Carey Energy, which doubled the company's size and made it a much more significant energy company. Charter also has a sizable insurance business, which it apparently plans to expand.

Since January, Charter has followed up last year's sale of *Sport* magazine and the Dayton Press, an unprofitable printing subsidiary, by closing the troubled *Philadelphia Bulletin*, selling off *Redbook* and Charter Data subscription fulfillment service, and signing definitive agreements, subject to still-pending governmental approvals, to sell seven company-owned radio stations around the country.

The *Bulletin*, which had about $7 million in pretax losses in the last four months of 1981 alone, folded in January after the company's unsuccessful attempts to find a buyer. The closing came only about four months after the company had won $5 million in union concessions that temporarily saved the paper and had pledged to put $30 million in new capital into the *Bulletin*. But the paper kept losing money—operating losses mounted to $10.9 million in '81—and circulation—36,000 daily customers in the last year alone, according to the Audit Bureau of Circulations. Its share of newspaper advertising in Philadelphia fell to 28% of daily linage. Charter reported that its "extensive profit improvement plans" had failed to produce "the required results."

Charter also disbanded its

broadcasting group, whose operations similarly had been tightened up under new management. Six radio stations were sold late last year to Surrey Broadcasting Co., Tucson, for $32 million, and in April, Charter agreed to sell its seventh station to Amaturo Communications, Fort Lauderdale.

In early May, after months of denying a sale was on tap, Charter sold both the ailing Redbook and the successful Charter Data subscription fulfillment unit to Hearst Corp. for $23 million in cash and promissory notes, plus a contingent payment based on the magazine's future performance. Though Charter took in revenues of $181.3 million from its magazine publishing and related services in 1981, *Redbook* ad revenues fell 2.7% during the year, to $50 million, from $51 million in 1980, according to Publisher's Information Bureau/Leading National Advertisers statistics, and the magazine's ad pages fell 16% from 1980.

The company declined comment on the future of *LHJ*, though it has acknowledged that it is "holding meetings with a prospective buyer." Late last month, Peter Callahan, publisher of *Us* and president of the Macfadden Group, was rumored to be the likely buyer. PIB/LNA figures show *LHJ* ad revenues dropped 6.1% during 1981 to $50 million, from $53 million the year before, as advertising pages fell 16%.

Early this year, the company announced that, beginning with the July, 1982, issue, *LHJ* would eliminate all letterpress printing with transfer of printing and binding operations to R.R. Donnelley, Mattoon, Ill., from Dayton Press.

A company spokesman said *Discount Merchandiser* "will probably be sold because we are in effect divesting ourselves of our media operations."

Charter had intended to step up its media involvement through Charter Media, a joint venture formed in 1980 with media entrepreneur Karl Eller. Charter Media bought the *Bulletin* for $31 million, KIOI-FM, San Francisco, and New York Subways Advertising. The joint venture lasted only nine months, and Charter bought out Mr. Eller's 50% share, including the *Bulletin* and KIOI.

MEDIA PROPERTIES

Magazines

Discount Merchandiser, Ladies' Home Journal, Redbook (sale pending).

Broadcasting

RADIO: KCBQ (fm), San Diego; KIOI (fm), San Francisco; WDRQ (fm), Detroit; KSLQ (fm), St. Louis; WOKY (am), Milwaukee, and WMIL (fm), Waukesha, Wis. (all sold pending FCC approval)

OTHER PROPERTIES

Charter Insurance Group, Charter Oil Group, direct marketing of gift items.

Christian Science Publishing Society

The Christian Science Publishing Society is the country's 99th largest media company, with revenues totaling $59.5 million from media operations in 1981. The major source of revenue is the *Christian Science Monitor*, with four national editions and one international edition.

A nonprofit, private organization, the Publishing Society also produces various Christian Science religious publications.

It was a relatively uneventful year for the *Monitor*, with ad sales remaining relatively stable and with no editorial or format changes. The *Monitor's* effort to become a news provider to other publications and broadcast outlets continued during 1981, with 206 newspapers now taking the *Monitor's* syndicated news service. The Los Angeles Times Syndicate distributes *Monitor* stories to newspapers like Denver's *Rocky Mountain News*, the *St. Louis Globe-Democrat* and the *Minneapolis Tribune*. The syndicated news stories on foreign and domestic affairs reach an estimated 30 million readers.

A weekly radio news service provided by the *Monitor* reaches about 6.5 million listeners through 312 stations. The service, which has been in place for three years, grew quickly during the past year. In 1981, the *Monitor* radio news service—a tape containing 20 audio news reports distributed to subscribers—had about 100 customers and grew to 312 by mid-1982.

The *Monitor*, published out of Boston, completed its first full year of official take-out sections on foreign countries. J. Anthony Periton, manager of the Publishing Society, said advertising by corporations and foreign countries was strong and the Monitor plans to continue the profiles. All articles are written by *Monitor* reporters and nothing is solicited from the foreign countries themselves—a common practice.

Circulation remained relatively stable for the *Monitor* during 1981 and early 1982 about 165,000. There have been no major marketing or advertising efforts to increase the paper's circulation. Advertising for the *Monitor* has declined slightly, mostly owing to the economy.

Mr. Periton said the paper has finished a program designed to motivate the *Monitor's* display ad sales staff and increase commission rates. The salespeople, who solicit primarily local advertising that runs once a week or every other week in the paper, are members of the Christian Science church and not fulltime professionals.

By boosting the amount of business coverage and putting an even stronger emphasis on reporting international news, the *Monitor* has been trying to get more corporate advertising and travel-tourism advertising.

Meanwhile, the *Monitor* continues to seriously explore the possibilities of a linkup with a cable television network as a source of additional revenue. Mr. Periton said there is nothing solid yet, but the *Monitor* did run an experimental two-segment program on television. It supplied the Independent Network News organization, through WPIX in New York, with a half hour segment on business, narrated by *Monitor* business writer Harry Ellis. The other news segment was on El Salvador, which also ran 30 minutes. The two reports were made available to any INN station wishing to use them. It was the *Monitor's* first major venture into television news.

The *Monitor* is also supplying information to a cable system and is closely examining a deal with a database information system accessed by businesses on a subscription basis.

In 1981, the New England Newspaper Assn. chose the *Monitor* as recipient of its first newspaper of the year award and *Monitor* reporter David Willis earned an award from the Overseas Press Club for his reporting of affairs in the Soviet Union.

The only personnel change in the Publishing Society was the appointment of William Moody as associate editor of the Publishing Society's religious periodicals. Irwin Canham, a noted reporter and editor of the *Monitor* for many years, died early this year.

MEDIA PROPERTIES

Newspapers

Christian Science Monitor.

Magazines

Christian Science Journal, Christian Science Heralds (in various languages), *Christian Science Sentinel.*

Chronicle Publishing Co.

Chronicle Publishing Co., San Francisco, ranks 35th among the nation's largest media companies, with 1981 revenues estimated by Advertising Age of $216.7 million, all from media operations.

The company is wholly owned by the family trust of the M.H. de Young estate. Michael de Young began publication of the *San Francisco Chronicle*, the city's dominant morning newspaper, in 1865. Its revenues just exceed two-thirds total revenues, according to Advertising Age figures.

The company operates four television stations, as well as a cable system that now has 150,000 subscribers. Other activities housed under the Chronicle umbrella, although not included in Advertising Age's total estimate, are a tv production unit and a film financing distribution (to pay television) company.

In addition to the *San Francisco Chronicle*, the company is the co-owner, with the Hearst Corp., of the *San Francisco Sunday Examiner & Chronicle*, the area's top Sunday paper, and the *Bloomington* (Ill.) *Daily Pantagraph*.

The *Chronicle's* daily circulation is 530,672, according to March, 1982 ABC figures, putting it far ahead of its biggest challenger, the Gannett Co.-owned morning newspaper *Eastbay Today*, published in Oakland. *Eastbay Today's* March, '82 circulation was 94,310.

Circulation at the *Chronicle* has been growing by some 5,000 per year for the last several years.

Eastbay Today is attempting to draw readers from the *Chronicle* by positioning itself as a 10-cent paper (the *Chronicle* is 20 cents) and offering flashy coverage of sports and local news.

Under a joint operating agreement struck in 1965, and upheld in a court case last year, all noneditorial functions for the *Chronicle* and the *San Francisco Examiner* (the Hearst afternoon paper) are performed by the San Francisco Newspaper Agency.

Phil Geyer, *Chronicle* ad director, said the paper would continue to rely on seasonal circulation drives and "close monitoring of the marketplace" to maintain its circulation advantage.

Television and radio spots, as well as special promotion, which involved 150 automobile dealers in northern California, recently climaxed with the prize of a trip to Hawaii to a winner selected from people who test drove a car.

Chronicle Broadcasting encompasses the company's four television stations, which are wholly owned subsidiaries, including KRON-TV, San Francisco. Frances H. (Rani) Martin, president and chief executive officer at Chronicle Broadcasting, said that news and information are "the heart and soul of all our broadcast operations."

Last year, KRON unveiled its "Live at 4" news program, a format whose progress Mr. Martin described as "slow but steady." This year the company is focusing on updating its technical facilities and streamlining internal operations.

Jerry Florence, director of corporate research, is bringing survey and audience research functions in-house, and is determined to bring more sophisticated survey and forecasting methods to bear on the problems faced by KRON. "Our industry has lacked forecasting sophistication," Mr. Florence said. "We need more analytical expertise."

KRON is the only station in America currently using the Aurora system of computer graphics for its news and weather broadcasts, noted Bruce Lindgren, director of creative services. "We're heading toward a fully computerized newsroom, which means that we'll be able to get stories on the air far faster than in the past."

On June 7, KRON began broadcasts of CNN-2, adding

No optical illusions

Irving B. Kahn, the granddaddy of cable predictions come true, is as busy as ever. As he puts it, "Getting a little bit involved is like getting a little bit pregnant."

He's conjuring up visions as usual. In fact, he has put together three new enterprises in the last five years based on his crystal-gazing.

Mr. Kahn was talking about an electronic home shopping service, electronic newspaper, and two-way banking back in the late 1960s, when they were called "esoterica." That was when he was co-founder and president of Teleprompter Corp., one of the biggest cable systems in the country, and one of the first that wasn't a "Ma and Pa" operation. (Mr. Kahn was jailed in 1971 for bribing Pennsylvania franchising officials and subsequently was ousted from Teleprompter in a proxy fight.)

Today, he's heavily involved in fiber optics—a technology that uses light to carry messages. Of his brethren still laying cable lines, he says: They're "running like sheep" to keep from getting obsolete before they start.

Mr. Kahn launched and now heads General Optronics, which is working with European companies to make laserware and other high technology items to sell to Common Market countries. He also runs Broadband Communications in New York. And he helped found Times Fiber Communications. That company, he says, has developed a way to distribute new fiber-using master antenna systems to high-rises—and is making millions.

All three companies, says Mr. Kahn, were formed with one end in view: To get the drop on fiber optics from every angle.

Meanwhile, according to Mr. Kahn, cable traditionalists "are still climbing poles." He maintains that by the time most of the big metropolitan franchises are wired, the phone company will already be in every home with fiber—"a 1,000-lane-highway" message carrier—and grab all the goodies.

Kahn: Still looking ahead

Mr. Kahn says his more conservative colleagues "won't go out of business tomorrow," but he invites them to return to their roots. That means making the major commitment to strong local programing, and taking a pass on national advertiser support.

Irving Berlin Kahn says he's "64 going on 29." And yes, he is named after *the* Irving Berlin, who is Mr. Kahn's uncle. AA

2½ hours of news to the schedule.

Although company officials are reluctant to specify future plans, George (Toby) Harder, vp-corporate planning, said, "If it's in communications, we're taking a look at it." Cellular radio and direct broadcast satellite were among the possible new endeavors mentioned.

"Although we are investigating all kinds of new technologies," said Mr. Harder, "it's still the case that people don't watch technology, they watch programs. And we remained convinced that traditional television can still do some things—such as local news—best."

Western Communications, Walnut Creek, Cal., is Chronicle's cable tv arm, serving subscribers in California and New Mexico. Company president Ed Allen said Western is readapting its systems for greater channel capacity, a change that would lead to more numerous opportunities for local and national advertisers. "We're also getting ready to begin pay-per-view programing," said Mr. Allen.

Also high on the Western priority list is what Mr. Allen termed a system of energy load management, whereby individual consumer use of electric power can be more carefully monitored and controlled via modifications of the basic cable hookup. The goal is to reduce the stress on Pacific Gas & Electric facilities during peak hours, thus saving the consumer money.

"What's needed is a tariff under which users are 'penalized' for use during normal peak hours, and are 'rewarded' for use during off-hours," Mr. Allen said.

Chronicle Productions is the company's tv and video production/post-production unit and another wholly owned subsidiary. The company, headed by Marty Schultz, has been involved in commercial production, programing, industrial video projects and syndication. Macy's and Emporium-Capwell are clients for commercial production, and test spots for Ketchum Communications have also originated here. Two children's programs, "Buster and Me" and "Just Kidding," have been syndicated by the company.

MEDIA PROPERTIES

Newspapers (dailies)

CALIFORNIA: *San Francisco Chronicle, San Francisco Examiner & Chronicle* (Sunday paper owned jointly with Hearst Corp.).

Broadcast

TELEVISION: KRON-TV, San Francisco; KUPK-TV, Garden City, and KAKE-TV, Wichita, Kan.; WOWT-TV, Omaha, Neb.

Cable/video

Western Communications, serving subscribers in the following locations—CALIFORNIA: Asinomar Beach, Butte County, Carmel-by-the-Sea, Carmel Valley, Chico, Clayton, Concord, Contra Costa County, Corning, Del Monte Forest, Del Ray Oaks, Glenn County, Marina, Monterey, Monterey County, Orland, Pacific Grove, Salinas, San Mateo county, Seaside, South San Francisco, Willows. NEW MEXICO: Dona Ana County, Los Cruces, Mesilla.

OTHER OPERATIONS

Chronicle Productions, Chronicle Features & Chronicle Books.

Continental Cablevision

Continental Cablevision, Boston, Mass., is the country's 89th largest media company, with 1981 revenues of $73 million, all from cable television. The company's net income in 1981 was $17 million.

The 11th largest multiple systems operator in the U.S., Continental ended its first quarter in 1982 with 500,000 subscribers and an unusually high ratio of one pay subscriber for every basic subscriber. Through March, 1982, the company's cable service had passed 970,000 homes.

A privately held company, Continental has grown at a compounded rate of 30% since it acquired its first system in Tiffin, O., and Fostoria, O., in 1965. In November, 1981, Dow Jones & Co., a long-time suitor of CCI, purchased an initial almost 16% interest in the company. In January, 1982, it bought an additional 9.5% to boost Dow Jones total holdings to about 25%.

CCI's 1981 revenues rose 53% from the previous year and its net income was up 52%. That fast pace continued in the first quarter of the current fiscal year, when revenues jumped 50% to $23 million and earnings increased by 240% to $2.4 million.

Continental has 60 cable systems covering 192 communities in 10 states in the East, Midwest and in three California communities.

Founded in 1963 by two Harvard Business School classmates, Amos Hostetter, CCI president and chief executive officer, and H.I. Grousveck, CCI chairman, the company is divided into seven regions, each of which is under the management of its own vp-general manager. The regions' managers are responsible for franchising and renewals and make decisions independently from the Boston corporate headquarters about equipment purchases. The feeling among Continental's executives is that it is this decentralization of its operations that accounts for much of CCI's success.

Rick Hoffstein, the company's corporate controller, said CCI's growth has been entirely the result of new franchise purchases, "never as a result of acquisition." However, in a market where new franchises are waning, Continental may have to rethink this

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approach if it is to continue its rapid growth. Areas where it plans to aggressively seek new franchises are Chicago, New York City and the Oakland County suburbs outside Detroit.

CCI in the future plans to upgrade its systems. By the end of 1985, 12-channel systems will be boosted to 20 and 30 channels at a cost of $10 million. In 1982, the company hopes to add 70,000 new subscribers to its existing systems.

Other management personnel in the company include vice-president Tom Willet and the company's new treasurer, Nancy Hawthorne. Timothy Neher, formerly vp and treasurer, is now CCI's executive vp.

MEDIA PROPERTIES

Cable/video

Systems in 10 states. CALIFORNIA: Big Valley Cablevision (94% interest), serving Manteca, Stockton/San Joaquin County. ILLINOIS: Continental Cablevision of Illinois, serving Freeport/Cedarville (Ia.)/Keokuk (Ia.)/Carthage, Hamilton/Warsaw (Ind.), Kewanee, Lincoln/Logan County, Morton, Pekin/Groveland/Marquette Heights/North Pekin/South Pekin/Tazewell County/Tremont, Quincy; Continental Cablevision of Cook County, serving Calumet City/Calumet Park/-Dolton, Elmhurst/Berkeley/Oakbrook Terrace, Forest Park, Franklin Park/River Grove/Rosemont/Schiller Park, Westchester; Continental Cablevision of Morton Grove. MASSACHUSETTS: Continental Cablevision of Brockton; Continental Cablevision Investments, serving Agawam/Granby/Holyoke/South Hadley/Westfield/West Springfield; Continental Cablevision of Massachusetts, serving Beverly, Newton, Reading, Saugus, Watertown; Continental Cablevision of Northampton, serving Northampton/Hatfield/Williamsburg; Continental Cablevision of Springfield; Continental Cablevision of Winchester. MICHIGAN: Continental Cablevision of Oakland County, serving Hazel Park, Madison Heights, Southfield/Lathrup Village; Continental Cablevision of Michigan, serving Holland, Jackson/Blackman Township, Lansing/Grand Ledge/Delhi, Delta, Dewitt, Lansing, Oneida Township, Roseville. MISSOURI: Continental Cablevision of St. Louis County, serving Belleville (Ill.)/ Fairview Heights/O'Fallon/St. Clair County (Ill.)/Swansea (Ill.), Jennings/Bellefontaine Neighbors/Country Club Hills/ Flordell Hills/ Moline Acres/Northwoods/Pine Lawn/Riverview, University City/Breckenridge Hills/Brentwood/Clayton/Edmundson/Maplewood/Overland/St. Ann. NEW HAMPSHIRE: Continental Cablevision of New Hampshire, serving Concord/Allenstown/Boscawen/Bow/Pembroke, Dover, Rollingsford/Somersworth/Berwick/South Berwick, Lawrence/Methuen/North Andover, Pease Air Force Base, Portsmouth/Eliot/Kittery/New Castle/Rye, Saco/Old Orchard Beach, Sale/Derry/Windham. OHIO: Continental Cablevision of Hamilton Co., serving Cheviot; Continental Cablevision of Miami Valley, serving North of Dayton suburbs (Englewood, Madison Township, Randolph Township, Trotwood, Union, Vandalia), South of Dayton Suburbs (Beavercreek, Bellbrook, Centerville, Kettering, Miamisburg, Miami Township, Moraine, Oakwood, Washington Township, West Carrollton); Continental Cablevision of Northeast Ohio, serving Bay Village/Avon Lake, Eastlake/Fairport Harbor/Grand River/Lakeline/Mentor/Painesville/Timberlake/Wickliffe/Willoughby/Willoughby Hills, Elyria/Carlisle, Elyria Township; Continental Cablevision of Ohio, serving Athens/The Plains, Bellevue/Clyde, Fairborn/Donnelsville/Enon/New Carlisle/Bath, Bethel, Mad River Township, Findlay/Arlington/McComb/VanBuren, Fostoria/Tiffin, Galion/Crestline, Norwalk/Milan/Monroeville, Springfield/Moorefield, Springfield Township, Upper Sandusky, Wayne/Harrison Township, Willard/Plymouth/New Haven/Shiloh, Xenia/Cedarville/Jamestown/New Jasper/Silver Creek/Spring Valley/Cedarville, Spring Valley, Xenia Township. VIRGINIA: Continental Cablevision of Virginia, serving Ashland, Henrico County; Continental Cablevision of James City County; Continental Cablevision of Richmond.

Copley Newspapers

Copley Newspapers, La Jolla, Cal., the 37th largest media company in the country, increased its revenues from media properties by more than $15 million in 1981 to $205.8 million, 99.7% of total revenues of $206.5 million, the company said. In 1980, Copley had estimated media revenues of $190.4 million out of total revenues of $191.6 million.

The private, family business is primarily involved in newspapers in California and Illinois. Recently, it moved into cable tv, and views electronic publishing for future diversification.

Copley lost a bid it placed last year for a cable franchise in Torrance, Cal., to Teleprompter. Undaunted, Copley has gone next door with its bidding partner, Colony Communications (owned by Providence Journal Co.), to try for a franchise in Lomita, Cal. The outcome on that bid is pending. Teleprompter is again one of the three competing bidders, according to a Copley spokesman. He added that the Copley/Colony bidding team will likely bid on at least two other cable franchises in California soon.

Copley's interest in electronic publishing is temporarily on hold while Time Inc. and Cox Broadcasting await the arrival of decoders by their backlogged suppliers. It is with these two organizations that Copley expects to venture into videotex.

There is a high probability, according to a Copley spokesman, that the company will be experimenting with Cox in its INDAX experiment in San Diego this coming August in a two-way signal system (Viewdata). Copley is slated to provide about 20% of the news, sports and other information the system will transmit.

Time Inc. may be hooked up in San Diego by October or November with its full channel teletext, a one-way distribution system, for which Copley will supply about one-half the news information.

Newspapers remain the principal source of Copley's profit. The *San Diego* (Cal.) *Tribune*, which has undergone significant changes in leadership, addition of staff and content, and a redesigning of face and format, grew slightly last year.

However, most growth continues to come from Copley's morning paper in that city, the *San Diego Union.*

Besides its California newspaper properties, Copley also is one of the largest suburban publishers in the Chicago metropolitan area, with total circulation of 140,000, according to Stuart Neffeler, director of marketing. The Copley papers in Illinois are situated near major regional shopping centers—havens for advertising revenue.

Extensive renovation of the *Springfield* (Ill.) *State Journal-Register* facilities is still in progress, and other papers are slated for capital improvement in what Mr. Neffeler described as a "continuing process".

The *Joliet* (Ill.) *Herald News* has a new publisher, George Fisk, who took over the reins on Jan. 1 of this year. He has been with the paper in other capacities.

While newspapers are likely to remain Copley's primary emphasis, the company continues to look for opportunities in cable television, and hopes to gain a significant role in the electronic experiments soon to be under way in its home market. Pursuit of these new areas will continue, "provided that the over-all economy recovers," Mr. Neffeler said.

The James S. Copley library was completed in La Jolla, Cal., in February, 1982. The facility houses American Revolutionary War material, including the collection of the late James S. Copley, as well as other items of historical significance. The library was built under the leadership of Helen K. Copley, who is Mr. Copley's widow and the company's current publisher.

MEDIA PROPERTIES

Newspapers (dailies)

CALIFORNIA: *San Diego Evening Tribune, San Diego Union, San Pedro News-Pilot, Daily Breeze* (Torrance). ILLINOIS: *Aurora Beacon-News, Elgin Courier-News, Joliet Herald-News, Springfield State Journal-Register, Wheaton Daily Journal.*

Newspapers (nondailies)

CALIFORNIA: *Borrego Sun.* Also, 16 nonpaid circulation weeklies and shoppers associated with the dailies.

OTHER OPERATIONS

Casa del Zorro (resort hotel), Copley Computer Services, Copley News Service, Copley Press.

Courier-Journal & Louisville Times Co.

Courier-Journal & Louisville Times Co. is the country's 76th largest media company, with Advertising Age-estimated revenues of $93.1 million from media operations in 1981. Media figures are for newspaper and broadcast properties and do not include those of Standard Gravure, a subsidiary.

Advertising Age has revised its 1980 revenues for the Bingham family-owned company, publisher of the *Louisville Courier-Journal* and the *Louisville Times*, to $86.7 million for the newspaper and the two broadcast properties, WEAS-TV and WHAS (am) in Louisville.

An executive committee formed in 1980 and headed by company president George Gill is proceeding with plans to seek new areas of development. Senior vp John L. Richards said two of these ventures involve the marriage of the newspapers with cable technology.

The company is currently on the air in a partnership with CPI of Louisville, a Times Mirror cable system with more than 46,000 subscribers. The papers have been broadcasting both news and classified advertising since April on a preset schedule 24 hours a day. The project is still "too young to know what type of action we are getting," although the service is generating inquiries, Mr. Richards said. "We are also having some success with selling classified from the papers onto the cable channel."

Initially the company is charging a "modest" extra fee for the ad to run both in print and on tv. Approximately 3,000 daily "pages" of classified ads are being broadcast. CPI sold the papers time for a set fee, plus a percentage of the ad sales.

Mr. Richards said the company is also gearing up for the start, later this year, of a teletext system. The project, in conjunction with Antiope Videotex Systems, will transmit an edition's contents to 150 homes during a six-month period. Mr. Richards said there will be 50 decoder sets, which will be moved every few weeks. "Our research department has chosen a representative sampling which will not only determine the success of this experiment but may influence other newspapers who are looking at this type of venture," he said.

In 1981, the afternoon *Times* underwent both an internal renovation and an external facelift, adding several sections and cleaning up the front page. Mr. Richards said these changes were put in effect in order "to battle the p.m. syndrome." He said both papers are improving their penetration in Louisville.

The broadcast arm of the company also has entered the cable field. Donna Zapata, WHAS-TV station manager, said Creative Associates has been formed to produce commercials for cable television.

On the radio side, Mike Krusham is the new station manager named for WHAS (am).

MEDIA PROPERTIES

Newspapers

KENTUCKY: Louisville Courier-Journal, Louisville Times.

Broadcasting

TELEVISION: WHAG-TV, Louisville, Ky.

RADIO: WHAS (am), Louisville, Ky.

Cowles Media Co.

Cowles Media Co., formerly the Minneapolis Star & Tribune Co., is the nation's 32nd largest media company with revenues of $238 million for the fiscal year ended last Feb. 28, up 11% from the previous fiscal year. All revenues were from media operations.

Net earnings plunged 89% from the previous year to $747,000 from $7 million, largely because of a number of one-time charges.

Some major developments have taken place at the privately held concern in recent months. The principal one was the closing of the afternoon *Minneapolis Star* and its merging with the morning *Minneapolis Tribune* to make an all-day paper. Along with the merger came a significant broadening of the paper's targeted geographical market. A pending significant move, a merger with the Des Moines Register & Tribune Co., did not materialize.

The main one-time charges against fiscal 1982 earnings were a $2.3 million pretax charge related to a voluntary retirement plan at the Minneapolis newspapers which resulted in the early retirement of 124 employes, and a loss of $647,000 from the sale of the company's 33% ownership in Harper & Row Publishers, which had contributed $2.1 million to the previous year's earnings. Fiscal 1981 earnings also had benefited from a $2.4 million credit stemming from the company's adoption of straight-line depreciation accounting.

Merger talks with Des Moines Register & Tribune Co. broke off in early February. The Register & Tribune owns 13% share of the Minneapolis concern and both organizations are controlled by factions of the Cowles family. The companies had been negotiating for about six months before terminating the talks. Industry sources say the merger collapsed, in part, because the companies could not reach agreement over the value of the Register & Tribune Co.'s newspaper and broadcast holdings.

The merger of the *Star* and *Tribune* was officially announced in March after nearly a year of rumor and speculation about the *Star's* imminent demise. In April, the 24-hour paper was on the stands along with a promise of being a better news and advertising vehicle not only for Minneapolis but also for St. Paul.

Charles Bailey, a 31-year newspaper veteran, is serving as interim editor of the new daily while an editor is being sought. Steve Isaacs, the controversial editor of the *Star*, left the company. Donald Dwight remains publisher of the paper.

The new paper's expressed intention to serve St. Paul signals a marked increase in newspaper competition in the Twin Cities. The *Star and Tribune's* move across the Mississippi has prompted the management of the St. Paul Pioneer Press and *Dispatch*, owned by Knight-Ridder Newspapers, to consider merging its morning and afternoon papers into one and embarking on a strong counterattack against its Minneapolis neighbor.

While management of the *Minneapolis Star and Tribune* views the combination of the two papers positively, it has been harshly criticized by the company's own employes, local media and area retailers for the tactics used to announce the merger.

As talk of the merger accelerated, the newspaper's management repeatedly denied it would take place. It was learned later that amid these denials, management had hired a New York ad agency to film two-minute spots announcing the birth of the all-day paper. On the day the merger was made public, the commercials were aired during late-evening programs.

In addition, while retailers who had advertised in both the *Star* and *Tribune* received a 2% rate decrease on ads in the new combined paper, those who had advertised in only one of the former papers were bombarded with rate hikes of nearly 50% for space in the combined edition. Since retailers were not made aware of the impending merger, their ad budgets were fixed and some were forced to begin placing smaller ads.

Still, only one employe was laid off because of the merger, while an estimated 120 persons opted for the voluntary reduction plan (either early retirement or a negotiated settlement). Also, the consolidation is expected to improve the company's profit margins, which would be helpful if the company decides to go public, as has been speculated.

Cowles Media continues to lose money at the *Buffalo Courier-Express*, despite the paper's increase in ad share and a halt in its circulation decline in that highly competitive market. The company also has a Buffalo cable outlet, which it describes as a "rapidly growing and profitable operation."

The company's shareholders recently approved changing the name to Cowles Media to reflect its other holdings in communications.

MEDIA PROPERTIES

Newspapers (dailies)

MINNESOTA: *Minneapolis Star and Tribune.* MONTANA: *Great Falls Tribune.* NEW YORK: *Buffalo Courier-Express.* SOUTH DAKOTA: *Rapid City Journal.*

Newspapers (nondailies)

COLORADO: *Sentinel* newspapers in Arapahoe, Arvada, Aurora, Commerce City, Englewood, Lakewood, Littleton, North Glen-Thornton, South Jefferson, Westminster, Wheat Ridge. IDAHO: *South Idaho Press*, Burley.

Broadcasting

TELEVISION: KTVH-TV, Wichita-Hutchinson, Kan.; WDRB-TV, Louisville, Ky.

Cable/video

CableScope Inc., including Buffalo, N.Y.

OTHER OPERATIONS

Information Publishers, a commercial printer and publisher of various community directories, and Community Publications Co.

Cox Communications

Cox Communications, formerly Cox Broadcasting Corp., is the country's 21st largest media company with media revenues of $370.2 million last year, or 92% of the company's total revenues of $403.5 million.

Total operating profits rose 23% to $109.9 million while total revenues rose 30%. In 1980, Cox had media revenues of $281 million out of total revenues of $309.2 million.

Media revenues of the publicly held company were split about equally between broadcasting and cable tv, with broadcasting contributing $181.7 million in revenues and cable tv $188.5 million. Net income in 1981 was $55.5 million, up 19% from the previous year. The broadcasting division posted a 17% gain in revenues and a 16% increase in operating income in 1981, while cable tv revenues shot up 50% and operating income rose 40%.

During 1981 Cox Cable, a wholly owned subsidiary, set subscriber records and won franchises in Tucson, Ariz., and Vancouver, Wash. Cox is now the fourth largest basic cable tv operator and the third largest in paid program subscriptions. At the end of 1981, the company had 1,100,000 basic subscribers and 980,000 paid program subscriptions.

Because of extensive research and intensive marketing of premium services, paid program subscriptions increased 81% last year while basic subscriber numbers increased 24%.

Counted among Cox's 62 cable systems in 23 states are the nation's oldest—in Astoria, Ore.—and the largest, in San Diego, with 210,000 subscribers. Most of the company's recent growth came from new and existing franchises, not from acquisition. The company said it continues to examine acquisition opportunities, but franchising has so far been the preferred method of expansion.

Spokesman David Andersen said Cox Cable had bid on the Tampa franchise and was expected to bid for franchises in Philadelphia and Baltimore.

But as the number of major franchises in this country dwindles, Cox is beginning to eye the international market. "We're always looking for new investments," said Mr. Andersen, "and with the use of satellites and microwave, the world gets smaller and smaller."

In fact, Cox already has taken one step into the international arena, with a 50% interest in a cable company in Denmark.

Cox's INDAX, touted as the industry's only two-way interactive communications operation, has been tested in San Diego and will be introduced commercially in Omaha and New Orleans later this year.

INDAX enables users to transfer bank funds, pay bills and purchase merchandise from a video catalog. Through an arrangement with The Source, a Reader's Digest Assn. subsidiary, INDAX offers updated news, and it can include local information such as restaurant guides.

In January, 1982, Cox Communications purchased its first uhf station, KDNL in St. Louis, from Evans Broadcasting for an estimated $3.2 million. On June 1, it put pay tv on the air there. Subscription tv (stv) was new to Cox and new to St. Louis, but the company said the market was ripe for such an innovation because of its size—17th in the country—and its low cable penetration.

Early in 1981, Cox also acquired 19% interest in the Robert Wold Co. of Los Angeles, which provides satellite distribution services.

The company budgeted $200 million in capital expenditures for 1982. A portion of that was to go to developing the subscription tv service at the St. Louis station, and approximately $180 million was marked for expansion of existing cable systems, rebuilding older systems and developing franchises already granted.

Cox Communications president William A. Schwartz told stockholders in March that capital spending for cable expansion during the next few years would contribute to the company's long-term growth, but would slow short-term earnings growth.

In addition to its media properties, Cox Communications owns and operates 13 wholesale auto auctions in 10 states. These facilities have weekly auctions in which auto dealers regulate their inventories by selling and buying used cars.

The depressed new car industry led to greater interest in used cars in 1981, resulting in what the company called "a highly profitable business," with reve-

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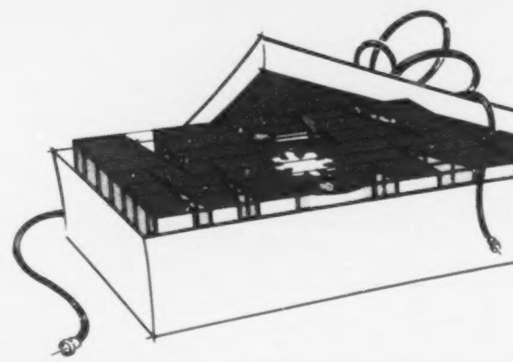

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nues of $30.9 million.

About 43% of Cox Communications' stock is owned by the Cox family, and Garner Anthony, chairman of Cox Communications, is also chairman of Cox Enterprises, a newspaper publisher and a separate entity in Advertising Age's media listing.

MEDIA PROPERTIES

Broadcasting

TELEVISION: KTVU-TV, San Francisco/Oakland; WSB-TV, Atlanta; WSOC-TV, Charlotte, N.C.; WHIO-TV, Dayton; WPXI-TV, Pittsburgh.

RADIO: KFI (am) and KOST (fm), Los Angeles; WIOD (am) and WAIA (fm), Miami; WSB (am, fm), Atlanta; WLIF (fm) Baltimore; WSOC (am, fm) Charlotte, N.C.; WHIO (am, fm) Dayton; WWSH (fm), Philadelphia.

Cable/video

INDAX. Also, cable locations (all Cox Cable except as noted). ARIZONA: Tucson. CALIFORNIA: Bakersfield, Eureka, Porterville, San Diego, Santa Barbara. CONNECTICUT: Greater Hartford. FLORIDA: Gainesville, Jacksonville Beach, Ocala, Pensacola, Sebring. GEORGIA: Macon, Warner Robins. ILLINOIS: Lake County, Maywood, Orland Park, Park Forest, Quint Cities, Robinson. IOWA: Cedar Rapids Cable Communications. INDIANA: Columbus, Fort Wayne Cablevision, Michigan City, Peru, Wabash. LOUISIANA: Jefferson Parish, New Orleans. MASSACHUSETTS: Berkshire. MICHIGAN: Iron Range, Munising, Owosso, Saginaw, St. Clair Shores. NEBRASKA: Omaha. NEW YORK: Cox Cable Resort, New York. OHIO: Cleveland Area TV. OKLAHOMA: Oklahoma City, Pan-Oklahoma Communication. OREGON: Astoria, The Dalles, Seaside. PENNSYLVANIA: Cranston/Johnstown, Lewistown, Lock Haven, Tyrone. RHODE ISLAND: Cranston (80% ownership). SOUTH CAROLINA: Myrtle Beach. TEXAS: Golden Triangle Communications, Lubbock. VERMONT: Green Mountain, Montpelier, Rutland. VIRGINIA: Norfolk, Portsmouth, Roanoke, Virginia Beach. WASHINGTON: Aberdeen, Long Beach, Spokane, Vancouver, Yakima.

OTHER OPERATIONS

Automobile Auctions, cable software, media sales representative companies, syndicated music.

Cox Enterprises

Cox Enterprises, Atlanta, is the nation's 21st largest media company, with 1981 revenues estimated by Advertising Age at $419.5 million, all from newspapers. Cox Enterprises had estimated media revenues in 1980 of $367.6 million.

The family-owned chain, anchored by the *Atlanta Constitution* and *Journal*, operates dailies in 13 markets and weeklies in suburban New Orleans and Delray Beach, Fla.

According to the company, the chain's daily circulation increased to 1.15 million for the six months ended March 31, up about 0.5% from a year earlier.

However, circulation declines at both the morning *Atlanta Constitution* and evening *Atlanta Journal* may have contributed to the company's recent decision to merge the news staffs of the two papers. Officials said the move wasn't made to cut costs but to expand the papers' "news capabilities."

The company several weeks earlier had merged the news staffs of its *Dayton* (Ohio) *Journal-Herald* and *Dayton Daily News*, laying off 40 fulltime employes and 50 parttimers. Cox said it plans no layoffs at the Atlanta papers.

For the six months ended last March 31, combined circulation of the *Atlanta Constitution* and *Atlanta Journal* averaged 392,526 daily, according to latest Audit Bureau of Circulation figures, down 4.2% from the year-earlier period. Combined circulation of the Dayton papers in the same period averaged 234,963 daily, down 2.4%.

The Dayton papers, as well as the Cox papers in Springfield, O., have suffered because of unemployment in the automobile and other industries, said David Easterly, vp-operations, of the newspaper group.

"But our papers in Texas—Austin, Waco, Longview, Lufkin and Port Arthur—are doing very well," he said. "You could look at them and you'd think there's no such thing as a recession." Atlanta and Palm Beach, normally strong Sunbelt markets, are "a little soft right now," he said.

The Atlanta papers also suffered heavy circulation losses last year because of distribution upheavals involving a switch to adult employe carriers from contract carriers. "We had a real mess on our hands during the conversion," Mr. Easterly said. The new carrier system is paying off, Mr. Easterly said. Service problems have been cut in half "and we have more control over employes than contract carriers," he said.

The Atlanta papers recently introduced a "marriage mail" system in which they offer preprint customers total market coverage through a combination of direct distribution to the papers' subscribers and direct mail to nonsubscribers.

In January, Cox hired a telecommunications director to oversee its plans for developing cable news programing in those markets where it owns papers.

Cox is already airing a channel of local news and classified advertising on cable in Waco in partnership with MetroVision, the cable operator there. Cox is working on developing similar ventures in Austin and Palm Beach, and it has had conversations with cable companies serving Atlanta, officials said.

"We're interested in taking the information-gathering resources we have in each of our 13 communities and trying to find ways to use that information in other media, especially electronic media, and particularly in partnership with cable tv operators," Mr. Easterly said.

John Morton, analyst with Lynch, Jones & Ryan, said Cox Enterprises seems well positioned for the future. "Atlanta may have had its problems, but it's still one of the best big-city markets in the country," he said. "It's a very good place to be the only daily publisher."

As for Cox's other dailies, Mr. Morton said, "I judge a chain by the kind of products it puts out, and in general, Cox papers are much better than average. The *Austin American-Statesman*, for example, has improved 1,000% since they took over."

Most of the Cox newspapers have circulations between 30,000 and 150,000, "which is the most profitable range for dailies," he added. The peril of the small-to-middle-size market, however, is that it often sits on a narrow economic base.

The *Grand Junction* (Colo.) *Daily Sentinel*, for example, has grown in advertising and circulation since Cox bought it in 1979. But Exxon's decision to pull out of a major shale oil project in the area could cripple the economy if the move puts 2,000 people out of work as expected.

The company's Palm Beach papers recently reduced staff by about 40 positions. "The Palm Beach market will be okay once the economy straightens out," said Mr. Easterly, "but for now the recession has finally hit Florida."

Other Cox dailies in Florida include the *Miami News* (which has a joint operating agreement with the *Miami Herald*) and 47% interest in the *Daytona Beach Journal* and *News*

Cox purchased several papers during the late 1970s, including its Texas and Arizona properties, but no new acquisitions are planned. An official said the company believes newspapers cannot be bought for a price that offers a reasonable rate of return.

Cox Communications (formerly Cox Broadcasting Corp.) is a publicly held broadcasting and cable tv concern treated as a separate entity in Advertising Age's media company listing. Garner Anthony, who is married to Barbara Cox, is chairman of both companies and the Cox family owns about 43% of Cox Communications stock.

MEDIA PROPERTIES

Newspapers (dailies)

ARIZONA: *Mesa Tribune, Tempe Daily News.* COLORADO: *Grand Junction Daily Sentinel.* FLORIDA: *Daytona Beach Journal* (47% interest), *Daytona Beach News* (47% interest), *Miami News, Post* and *Evening Times* (West Palm Beach). GEORGIA: *Atlanta Constitution, Atlanta Journal.* OHIO: *Dayton Daily News, Dayton Journal Herald, Springfield News, Springfield Sun.* TEXAS: *Austin American-Statesman, Longview News, Lufkin News, Port Arthur News, Waco Tribune-Herald.*

Newspapers (nondailies)

COLORADO: *Opportunity Valley News.* LOUISIANA: *Jefferson Parish Guide, Kenner Guide, Metairie Guide, Orleans Guide, St. Bernard Guide, St. Tammany Guide, West Bank Guide.* Also shoppers in Florida and Arizona.

'Just a country boy'

Roy Park, 71, calls himself a "country boy," and it has been said that he's never forgotten his rural upbringing in North Carolina.

In a way, that's the reason he's now the sole owner of several multi-million-dollar corporations that control dozens of newspapers and broadcast stations. Says Mr. Park: "I'm rather conservative; if you have a formula that works, use it."

Mr. Park's success has been based on acquiring smaller newspapers and broadcast outlets that serve local markets like Chattanooga, Tenn., or McAlester, Okla. Although in 1977 his company became the first to own the maximum number of am radio, fm radio and television stations the FCC allows—seven of each for a total of 21—he is making no plans to invest in cable. Cable, he thinks, is not his style: "It's highly capital intensive, and it's going to wind up in the hands of a few, large companies."

Mr. Park heads Park Newspapers, Park Broadcasting, Park Outdoor and RHP Inc., which controls other companies. All are headquartered in Ithaca, N.Y. His companies had total revenues of $80 million in 1981, a 14% increase from 1980 revenues.

But none of his newspapers has a circulation of more than 50,000. Mr. Park asks that they each devote more than 50% of their front-page space to local news, and make their editorials local: "We write on subjects people can do something about, rather than put in two columns of canned stuff from some [wire] service."

Mr. Park's most recently acquired property is the venerable *Robesonian*, a 112-year-old North Carolina daily. The former owners said they decided to do business with him partly because he understood that state so well.

Besides being born and educated there, Mr. Park found his first fulltime media job in North Carolina—as editor of the *North Carolina Cotton Grower* back in 1931.

Park: Formula that works.

At one time, Mr. Park had dabbled in a merchandising venture with Duncan Hines of cake-mix fame. In 1948, he and Mr. Hines formed Hines-Park Foods, which merged with Procter & Gamble Co. in the 1950s, yielding Mr. Park the capital to build his own business.

He decided to go back to his first love, and started buying broadcast stations and newspapers. Mr. Park acquired his first tv station in 1962, driving in his 1961 Lincoln Continental convertible from Ithaca to Greenville, N.C., to buy WNCT-TV. He still has the station, and still has the car, having become a rather accomplished collector of both classic automobiles and, it seems, lucrative radio and tv stations.

"Food was interesting," Mr. Park says of the industry he left in 1962 to start a new career at the age of 52, "but media work is exciting." AA

Des Moines Register & Tribune Co.

The Des Moines Register & Tribune Co., Des Moines, is the nation's 78th largest media company, with 1981 operating revenues of $89.5 million, compared with 1980's $86.1 million. All revenues are from media operations.

Primarily because of poor performance of its principal newspapers, hurt by the depressed Iowa economy, the company's earnings were down substantially last year, falling 84% to $1.1 million from $6.8 million in 1980. In the first quarter this year, the company lost $618,000 compared with a loss of $162,000 in the year-earlier period.

Newspapers contributed to the bulk of the Register & Tribune's revenues, with 1981 revenues of $70.5 million, up from $68 million in 1980. Broadcasting revenues were $18.8 million, compared with $18 million for 1980.

Growing doubts about the company's ability to continue to support two flagship newspapers, the *Des Moines Register* and the Des Moines Tribune, were confirmed when the company announced early this month that it will stop publishing the afternoon *Tribune* this fall. The move will result in the loss of 150 to 200 jobs out of the 1,030 who work at the two papers, the company said.

The *Tribune's* circulation is about 68,000, down from its high of 147,000 in 1947. The *Register* has a daily circulation of about 210,000. The combined paper resulting from the closing of the *Tribune* will have a circulation of 248,000, the company estimated.

The privately held company flirted this year with a corporate restructuring via a merger with its sister company, Cowles Media Co. (formerly Minneapolis Star & Tribune Co.), but talks broke off in February after six months of negotiations.

The Register & Tribune owns 13% of Cowles Media Co. Both companies are controlled by factions of the Cowles family, and members of the Cowles group sit on both company boards, helping to fuel speculation that inevitably the concerns will merge. Present indications are that both companies will remain independent for the near-term future.

An example of the Register & Tribune's continued independence was its refusal this year to be acquired by the Washington Post Co.

Register & Tribune officers rebuffed the Post after publisher Katharine Graham expressed an interest in purchasing the company.

The company added two weekly papers in Indianola, Ia., to its media operations this year and retained all of its broadcast properties.

MEDIA PROPERTIES

Newspapers (dailies)

IOWA: *Des Moines Register, Des Moines Tribune.* TENNESSEE: *Jackson Sun.* WISCONSIN: *Waukesha Freeman.*

Newspapers (nondailies)

IOWA: *Independence Conservative, Independence Independent, Indianola Record Herald, Indianola Tribune.* Also, shoppers in Independence and Indianola.

Broadcasting

TELEVISION: KAII-TV, Wailuku and KHON-TV, Honolulu, Hawaii; WQAD-TV, Moline, Ill. RADIO: KLAK (am) and KPPL (fm), Lakewood, Colo.; KGON (fm), Portland, Ore.; WIBA (am, fm), Madison, Wis.

OTHER OPERATIONS

Thirteen per cent of the stock in the privately held Minneapolis Star & Tribune Co., Minneapolis.

Deseret Management Corp.

Deseret Management Corp., Salt Lake City, is the country's 90th largest media company, with net revenues from media operations under its Bonneville International flag of $71.9 million, about 85% of total revenues of $84.5 million, according to the company.

As the broadcasting arm of the Church of Jesus Christ of the Latter-Day Saints, Bonneville speaks to more than the faithful through two tv stations, four am and seven fm radio stations and an estimated 10,000-subscriber cable tv system it owns half of in Logan, Utah. Bonneville media revenues break down into 49.7% tv, 45.8% radio, 2.2% satellite broadcasting and 2.3% program syndication via Bonneville Broadcast Systems.

The church's media properties also take in the *Deseret News* with a circulation of 72,000. Although linked to Deseret Management through the church, the newspaper property does not fall under the Deseret Management umbrella.

Major excitement at Bonneville this year revolves around its plan to have its teletext system in operation over KIRO-TV on Aug. 1. KIRO is Bonneville's Seattle tv station. Its other tv outlet is KSL in Salt Lake City, where Bonneville plans to offer consumers a similar system "shortly after" KIRO goes to consumers. Teletext is a viewer-controlled data transmission system based on the British "Ceefax" system. Bonneville developed its teletext operation in cooperation with Zenith Radio Corp.

Company president Arch L. Madsen explained that teletext will contain the equivalent of a 50-page newspaper. Viewers reading from a printed index will be able to punch up any material in the electronic newspaper that they want to read. "It's a revolution in the distribution of printed information," Mr. Madsen said. "Except for illustrations, teletext can do everything a newspaper can do, including classifieds. And the costs for us are so low that we can set up the whole works for less than the cost of a single color tv camera."

Mr. Madsen said the cost to consumers will be no more than a one-time "about $150 cost" for the hardware "The whole thing will pay for itself through advertising," he said. "I see it becoming enormous." He predicted some "real action" for the system in 1982.

Bonneville already has established a working teletext relationship with Field Communications and Taft Broadcasting. Teletext will be transmitted to participating stations via satellite. With a new million dollar uplink transmitter at Salt Lake City, Bonneville has established two-way communication with Washington, D.C.

"We are planning a complete satellite communication service for the whole U.S.," Mr. Madsen said. "We have just signed a contract with the church for 500 satellite receiving stations."

MEDIA PROPERTIES

Broadcasting

TELEVISION: KSL-TV, Salt Lake City; KIRO-TV, Seattle. RADIO: KBIG (fm), Los Angeles; WCLR (fm), Skokie, Ill.; WRFM (fm), New York; KAAM (am) and KAFM (fm), Dallas; KIRO (am), Seattle.

Cable/video

Bonneville Satellite Corp., Bonneville Broadcast Systems.

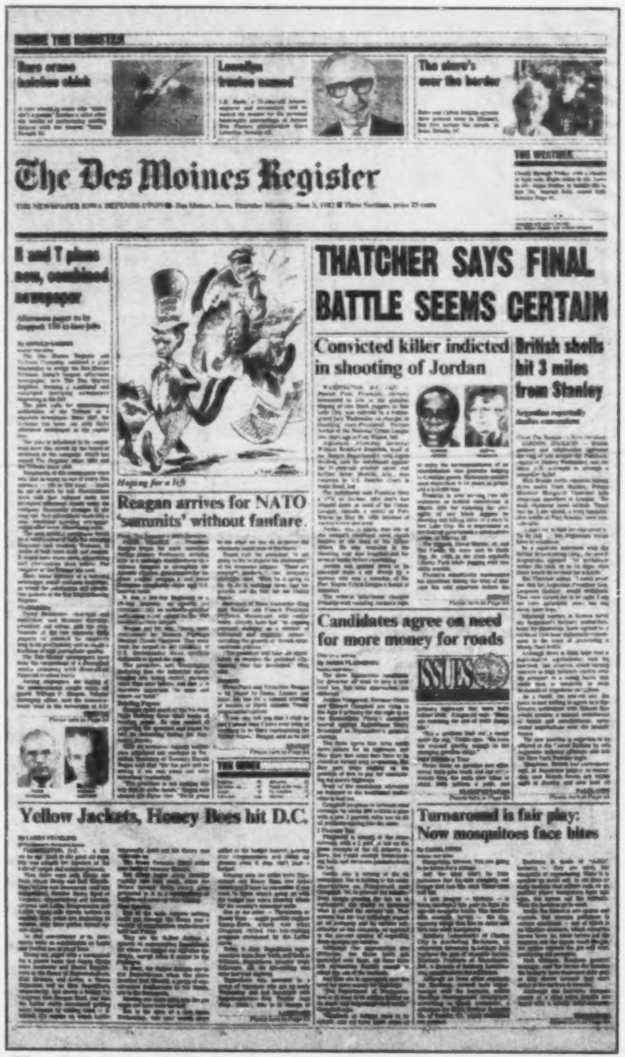
OTHER OPERATIONS

Bonneville Productions, Radio Data Services, Torbet Radio Representatives.

Donrey Media Group

Donrey Media Group, Fort Smith, Ark., is the nation's 63rd largest media company with media revenues estimated by ADVERTISING AGE of $125 million in 1981, all from media operations.

A privately held company, Donrey serves nearly 8 million people through its newspapers, television and radio properties.



The Des Moines Register

R and T plans new, combined newspaper

THATCHER SAYS FINAL BATTLE SEEMS CERTAIN

Convicted killer indicted in shooting of Jordan

British shells hit 3 miles from Stanley

Hoping for a lift

Reagan arrives for NATO 'summits' without fanfare.

Candidates agree on need for more money for roads

ISSUES

Yellow Jackets, Honey Bees hit D.C.

Turnaround is fair play: Now mosquitoes face bites

The Register & Tribune refused this year to be acquired by the Washington Post Co.

Donrey owns 45 dailies and 41 nondaily newspapers, one television station, seven radio stations, four cable television companies and 11 outdoor advertising plants. The group operates companies in 18 states and the District of Columbia.

Recent acquisitions by the group include a cable system, Rogers Cablevision, in Rogers, Ark., and the remaining 80% of a cable company in Bartlesville, Okla., Bartlesville Video. Donrey already owned 20% of that system.

"We think cable has a very bright future," said Fred Smith, Donrey's executive vp. "Of course, we've been in cable for quite some time," he said. "We think it offers a lot and we are definitely interested in looking for more cable properties.

"We are bullish on the whole media business—newspapers as well as cable tv—and are interested in acquisitions in all areas."

Donrey's most recent acquisition is the Valley Publishing Co., publishers of three daily newspapers in Kent, Renton and Auburn on the southern edge of metropolitan Seattle. The company was purchased by Donrey in January. The transaction became final Feb. 1 but the price was never disclosed. The three dailies have a combined circulation of 40,000. A twice-weekly controlled-distribution publication extends circulation to 100.000.

Donrey is committed to continued growth and to pioneering technology, according to its founder and president, Donald W. Reynolds. The group has contributed to research on a revolutionary laser platemaker, the first of its kind to be used successfully. It is now in operation at Donrey's largest newspaper, the *Las Vegas Review Journal,* in Las Vegas, Nev.

MEDIA PROPERTIES

Newspapers (dailies)

ARKANSAS: *Rogers Northwest Arkansas Morning News, Southwest Times Record* (Fort Smith), *Springdale News.* CALIFORNIA: *Lompoc Record, Ontario Daily Report, Pomona Progress Bulletin, Red Bluff Daily News, Redlands Daily Facts, Vallejo Times-Herald.* HAWAII: *Hawaii Tribune-Herald* (Hilo), *West Hawaii Today* (Kailua-Kona). INDIANA: *Washington Times-Herald.* IOWA: *Oskaloosa Herald.* KENTUCKY: *Glasgow Daily Times.* MISSISSIPPI: *Picayune Item.* MISSOURI: *Macon Chronicle, Moberly Monitor-Index.* NEVADA: *Carson City Nevada Appeal, Ely Daily Times, Las Vegas Review-Journal.* OKLAHOMA: *Bartlesville Examiner-Enterprise, Blackwell Journal-Tribune, Chickasha Daily Express, Durant Daily Democrat, Frederick Daily Leader, Guthrie Daily Leader, Guyman Daily Herald, Henryetta Daily Free-Lance, Holdenville Daily News, Okmulgee Daily Times, Paul's Valley Daily Democrat, Pawhauska Daily Journal-Capital, Wewoka Daily Times.* TEXAS: *Borger News-Herald, Clebourne Times Review, Gainesville Daily Register, Jacksonville Daily Progress, Kilgore News Herald, Sherman Democrat Sweetwater Reporter, Weatherford Democrat.* WASHINGTON: *Aberdeen Daily World, Auburn Daily Globe News, Kent Daily News Journal, Renton Daily Record Chronicle.*

Newspapers (nondailies)

Forty-one nondailies in nine states, including Booneville (Ark.) *Democrat, Oskaloosa* (Ia.) *Shopper, Poplarville* (Miss.) *Democrat, Randolph County Times* (Huntsville, Mo.).

Broadcasting

TELEVISION: KOLO-TV, Reno, Nev.
RADIO: KBRS (am), Springdale, Ark; KOCM (am), Newport Beach, Cal.; KEXO (am), Grand Junction, Colo.; KORK (am, fm), Las Vegas, Nev.

Cable/video

North Bay Cable TV Co., serving Vallejo, Cal.; Bartlesville Video, serving Bartlesville and Dewey, Okla.; Kilgore Cable TV Co., serving Kilgore, Tex. (50% ownership); Rogers Cablevision, Rogers, Ark.

Dow Jones & Co.

Dow Jones & Co., New York, is the country's 14th largest media company, with media operation revenues of $600 million in 1981, or 93% of total revenues of $641 million. National publications and news services accounted for more than three-quarters of total revenues. Community newspapers and book publishing (not included in ADVERTISING AGE'S media revenue figures) accounted for the remainder.

Media revenues rose 22% last year and total revenues 21%. Net income from all operations was $71.4 million, up 21% from 1980.

The company is moving to improve the already-solid U.S. position of its principal publication, the *Wall Street Journal,* and also to strengthen the publication abroad.

Dow Jones will increase its presence in Europe by introducing a European edition of the *Journal.* The paper, to be printed by Limburgs Dagbblad, in Heelen, a small mining town which is located in southern Holland, is expected to make its debut in 1983.

Initially, the publication will have a staff of 20 located in Brussels. Norman Pearlstine, formerly editor of the *Asian Wall Street Journal* and now the *Journal's* national news editor, will serve as publisher and editor of the European edition. *Journal* executives believe they can increase the current U.S. edition's circulation by 50% in Europe to about 12,000 soon after publishing begins on the Continent.

With advertisers finding themselves shut out of the domestic *Journal* because of limited space, Dow Jones has continued to expand the publication. Early in 1982, the southwestern edition was expanded to 56 pages from 48, bringing it to the level of the eastern edition. A similar expansion will take place in the midwestern and western editions. The company also is studying the possibility of expanding the eastern edition to 64 pages. Eastern printing plants are being altered to allow for expansion if the move is approved.

Dow Jones also increased the *Journal's* printing capacity by opening three new plants, in Des Moines, Ia.; Sharon, Pa. and Bowling Green, O. The *Journal* now has 14 printing plants. Three other printing plants—in LaGrange, Ga.; Charlotte, N.C. and Beaumont, Tex.—are under construction and will open this year.

Not planning to be left behind in videotex development, Dow Jones has entered into agreements with nine of the country's top 15 multiple system cable tv operators to explore joint videotex operations. The company also has plans to establish its own interactive systems in 12 communities, the largest of which is Denver, according to William Dunn, Dow Jones vp-general manager. The experiments eventually will involve 550,000 homes. Mr. Dunn said that revenues should begin topping expenses by 1984, when 200,000 homes are expected to join the various videotex systems.

Dow Jones also introduced DowAlert, a private-frequency business news service in Boston and Philadelphia. The service allows subscribers to use fm stations to receive specific business information.

The company's traditional form of dispensing business news—the *Journal*—continued its steady circulation increases. In 1981, circulation was up 3.6% to slightly more than 2 million daily. Over the past five years, the *Journal's* circulation has grown by 523,000, or 35%. Total *Journal* circulation is three times that of the *Washington Post* and twice that of the *Los Angeles Times, New York Times* and *Business Week*. A recent study showed that the paper's potential audience (executives and white-collar workers) is growing twice as fast as the population as a whole.

Wall Street Journal ad linage was up 9.7% in 1981, besting the 9.1% and 9.4% gains of the preceding two years. In 1981, more than 8,400 advertisers bought display space in the *Journal*.

Dow Jones raised the cover price of the *Journal* to 40¢ from 35¢ and of *Barron's*, its business and financial weekly, to $1.25 from $1.

Barron's suffered its first decline in ad linage in 10 years last year. The company attributed the 3.8% drop to reduced spending by brokerage houses and investment advisory services, its major advertisers. Those groups, the company contended, are suffering from the weak stock market. Circulation was up slightly to 264,416 from 264,100.

In May, the company announced it will cease publication of *Book Digest* with this month's issue, absorbing a $1.2 million charge against earnings. Dow Jones bought the magazine in 1978 and made numerous unsuccessful efforts to reverse a subsequent decline in advertising and circulation. The company had put *Book Digest* on the block in April but failed to attract any buyers.

MEDIA PROPERTIES

Newspapers (dailies)

Asian Wall Street Journal, Wall Street Journal. Ottaway Newspapers—CONNECTICUT: *Danbury News-Times.* KENTUCKY: *Ashland Daily Independent.* MASSACHUSETTS: *Beverly Times, Cape Cod Times* (Hyannis), *Gloucester Daily Times, New Bedford Standard-Times, Newburyport Daily News, Peabody Daily Times.* MICHIGAN: *Traverse City Record-Eagle.* MINNESOTA: *Mankato Free Press, Owatonna Peoples Press.* MISSOURI: *Joplin Globe.* NEW YORK: *Middletown Times Herald-Record, Oneonta Daily Star, Plattsburgh Press-Republican, Port Jervis Union Gazette.* OREGON: *Medford Mail Tribune.* PENNSYLVANIA: *Pocono Record* (Stroudsburg), *Sharon Herald, Sunbury Daily Item.*

Newspapers (nondailies)

Far Eastern Economic Review (49% interest), *South China Morning Post*, (16% interest), Allied Newspapers in Grove City, Pa., *Hampton* (N.H.) *Union, Rockingham County Gazette* (Exeter and Derry, N.H).

Magazines

Barron's, Book Digest.

OTHER OPERATIONS

Dow Jones News Service; DowAlert; Richard D. Irwin, book publisher; a newsprint mill near Richmond, Va. (30% interest); Extel, a telecommunications equipment maker (35% interest).

Dun & Bradstreet

Dun & Bradstreet, New York, is the country's 16th largest media company, with 1981 media revenues of $553.4 million, or 42% of total operating revenues, which rose 13% to a record $1.33 billion.

In 1980, Dun & Bradstreet had media revenues of $492.3 million out of total revenues of $1.176 billion.

The company's net income last year rose 19% to $121.5 million, also a record.

In 1981, publishing contributed $458.5 million in media revenues, up 12% from 1980 and equal to 35% of total Dun & Bradstreet revenues. Publishing accounted for $132.1 in operating income, or 46% of the company's total operating income of $284.8 million.

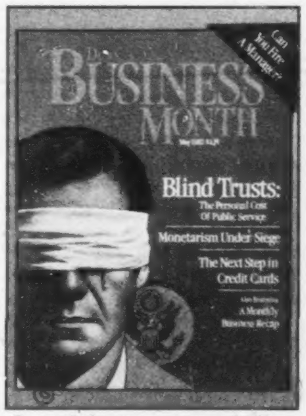
The broadcast division's operating revenues of $94.8 million accounted for 7.1% of D&B's total operating revenues. Broadcasting contributed $40.6 million in operating income, 14% of the total. The company said in its 1981 annual report that it is operating on four basic "dynamics of growth": Market segmentation, product differentiation, resource integration and computer technology application.

"They have been key to our progress in the past—and will be key to our future progress as well," a Dun & Bradstreet executive reported.

The company's progress for the past year in its publishing arm is attributed to new products and operating efficiencies.

At Reuben H. Donnelley, the company's operating revenue and income were up. In Chicago, the company hooked up with Illinois Bell and introduced the *Chicago Visitors Guide & Downtown Directory* and Bell's first *Health Care Industry Yellow Pages.*

The company also is planning to introduce its second edition of



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COMPANY__________
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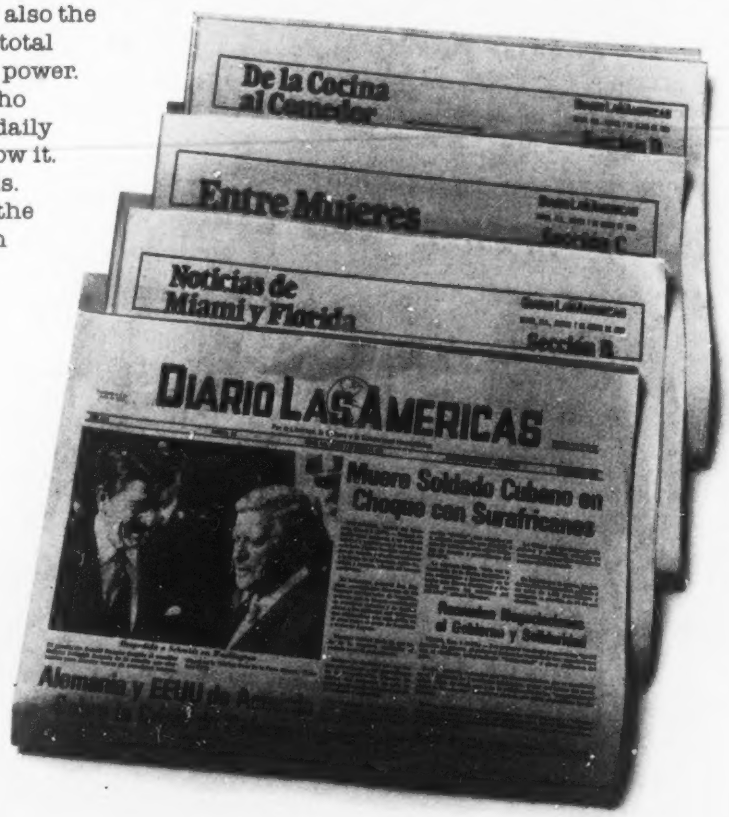
AA-6


De la Cocina al Comedor
Entre Mujeres
Noticias de Miami y Florida
Sección B
DIARIO LAS AMERICAS
Muere Soldado Cubano en Choque con Surafricanos
Alemania y EEUU de Acuerdo

the *New Neighbor Guide in Philadelphia* in 1982, and publish an edition for Pittsburgh as well. In its first full year of operation, Thomson Directories Ltd. was transformed from an ad sales agency to an independent publisher of local directories. Having successfully made inroads in the United Kingdom directory market, the company came out with 71 local directories in 1981 and is scheduled to bring out another 70 in early 1982.

Moody's Investors Service rang up a record year. The division set a new record in corporate bond issues rated, as well as commercial paper market ratings. Sales of the division's manuals and investment guides were ahead of 1980, while at the same time, the company launched Moody's "International Manual" and "Handbook of OTC Stocks" and is introducing a new publication, "The Stock Record" in the second quarter of 1982. "Complete Coverage," an addendum to Moody's Manuals, was brought out in 1980, while its other option, "Comprehensive Coverage," continued to show growth. Last year, the division also introduced electronic delivery of some of its information.

While the airline controllers' strike was disastrous for travelers, it turned out to be a boon for Dun & Bradstreet's Official Airlines Guides division. *Frequent Flyer* came out in September, 1980, and increased its rate base to 250,000 in March, 1981, at the same time it upped its ad rates. In April, 1982, OAG launched a Pacific area edition of its Pocket Flight Guide.

Technical Publishing enjoyed record revenues and income in 1981, while it kept working on refocusing its publications on markets with the greatest profitability. It sold *Pollution Engineering* and bought *Solid State Technology. Dun's Review* became *Dun's Business Month*, the same magazine but with a new format and new features.

Other Dun & Bradstreet publications coming in with record years were *Control Engineering* and *Graphic Arts Monthly*. Ad pages were also up for *Plant Engineering* and *Mining Equipment International. Datamation* is expanding its editorial coverage by adding a demographic edition for the original equipment manufacturer market and increasing the frequency of its international issue.

In 1981, the company also acquired Sentry Database Publishing, owner of *Software News* and *Software Search.*

Among nonmedia publishing divisions (according to AA's definition of media for this issue), the Funk & Wagnalls division fell on hard times last year with its operating income and revenues dropping below the 1980 levels. Two of its most successful products, "The Sesame Street Library" and "New Encyclopedia," neared the end of their cycles, while the "Big Bird Dictionary" and "Children's Bible Stories" began their debut.

In broadcasting, the company's Corinthian Broadcasting unit hit new highs in 1981. Stations in Houston and Hampton-Norfolk came in with the best records. Corinthian's stations also racked up better share figures and made several changes in their news programs. In Indianapolis, WISH-TV expanded its late-night news show from 45 minutes to one hour, while in Sacramento, KXTV added 30 minutes to its early evening news.

Corinthian also put in a Washington News Bureau last year to give Corinthian stations Washington news of local import. Corinthian Productions continued to develop programs for young people, with such ventures as "Historyland" and "Who, What, How Do You Know Show" series.

TVS Television Network's operating revenues and income hit new records in 1981. The network produced 68 regional and 18 national college basketball games that were aired by the NBC network.

In 1982, TVS is slated to produce 74 regional and 20 national college basketball games for NBC, as well as 23 regional Southeast Conference games that will be distributed independently to stations.

The company made several new personnel shifts in its media properties. John C. Holt was named executive vp of Technical Publishing as well as for Donnelley Marketing, Donnelley Marketing Information Service and D&B Business Education; Volney Taylor was named exec vp of Corinthian Broadcasting, including PGW (Peters Griffin Woodward, which represents tv stations in spot sales to national and local advertisers), TVS Network, and Official Airlines Guides as well as Plan Services and Sales-net. James J. Crenner was named executive vp at Reuben H. Donnelley and Moody's Investors Service, as well as for Dun & Bradstreet Commercial Collections and the Fantus Co.

Newspapers: The Fat Ones
Part I

Top papers in total ad linage, 1981	lines (millions)
1. Los Angeles Times	157.3
2. Houston Chronicle	114.8
3. Chicago Tribune	104.8
4. Miami Herald	99.4
5. Washington Post	98.3
6. New York Times	91.2
7. Dallas News	89.9
8. Orange County Register	87.7
9. Fort Lauderdale Sun Sentinel*	86.7
10. San Jose Mercury*	81.7

All figures based on 8-column format.

*Includes estimated share of advertising in combined weekend papers, the San Jose Mercury-News and the Fort Lauderdale News & Sun-Sentinel.

Source: Compiled by Advertising Age from figures published in Editor & Publisher magazine, May 29, 1982.

MEDIA PROPERTIES
Magazines

American Journal of Cardiology, American Journal of Medicine, American Journal of Surgery, Consulting Engineer, Cutis, Datamation, Dun's Business Month, Electric Light & Power, Fire Engineering, Graphic Arts Monthly, Highway and Heavy Construction, Industrial Research and Development, Mining Equipment International, Plant Engineering, Power Engineering, Purchasing World, Solid State Technology, Software News and World Construction.

Broadcast

TELEVISION: KXTV. Sacramento, Cal; WISH-TV, Indianapolis; KOTV, Tulsa, Okla; KHOU-TV, Houston, and WANE, Fort Wayne, Tex; WVEC, Hampton-Norfolk, Va; TVS Television Network.

Cable/video

Pembroke Cable Corp., a division of Corinthian, a wholly owned subsidiary of D&B, has locations as follows—NORTH CAROLINA: Ahoskie, Murfreesboro. VIRGINIA: Emporia, Greensville County, Halifax, Halifax County, LaCrosse, Mecklenburg County, South Boston, South Hill.

Other media-related operations

Moody's Investors Service, Reuben H. Donnelley.

OTHER OPERATIONS

Dun & Bradstreet Business Education Services, Funk & Wagnalls, DBI Books, Sentry Data Base Publishing.

Evening News Assn.

The Evening News Assn., Detroit, is the country's 31st largest media company with 1981 revenues of $250 million, all from media operations, according to the company. The company had estimated media revenues in 1980 of $235.7 million.

Profits fell 61% in 1981 to $5 million from $12.7 million in 1980.

Losses sustained by the *Detroit News*, Evening News' flagship, continue to plague the company. The newspaper war between the *News* and Knight-Ridder's *Detroit Free Press* is not likely to end soon, which means the company must keep pouring profits from Sunbelt properties into depressed Detroit.

That was the idea all along, according to Peter B. Clark, president and great-grandson of the founder of the company. "When this company started acquiring properties in other communities, the idea was to develop counter cyclicality to Detroit. We did that, and we're delighted we did, given the Detroit problems," Mr. Clark said.

Mr. Clark disagreed with analysts' predictions that Detroit will be a one-newspaper town within a decade. But should that happen, "We would be the survivor because we're the stronger by a substantial margin," he said. The margin of strength is great in ad linage but the circulation margin has narrowed and the *News* now leads by only 1,752 copies daily.

The company has been alternately embarrassed, puzzled and gratified by recent nonfinancial developments. Last Nov. 4, the paper carried a front-page story proclaiming the successful launch of the space shuttle. The shuttle did not take off for another eight days. About 30,000 copies containing the bogus story were printed. All but 300 were recovered.

In January, word spread through the city room that 75 shares in the closely held Evening News were available. All shares were quickly bought by reporters, photographers and other *News* employes at $175 a share. A contingent of the new shareholders attended the company annual meeting for the first time and saw financial figures for the Evening News, though not for the *News* itself. "I see very little meaning in it at all," said Mr. Clark of the newsroom stock rush.

There also has been a rush of awards for Evening News properties. The *News* won the Pulitzer gold medal for meritorious public service for a series of articles on deaths at sea of Navy personnel.

Announcement of the award was slipped into ads from new agency N W Ayer, which replaced McCann-Erickson on the $1 million account.

A company tv station, WDVM-TV, Washington, won a Peabody award and the station retained news leadership in the Washington market. Evening News management considers the Washington prominence important because of the market's relatively stable economy, and also because of the opportunity afforded to try to influence the thinking of political leaders.

"The basic flow of earning or publishing power in that community remains high and growing," said Mr. Clark. "Businessmen to some extent can predict that it will keep on growing and act accordingly."

ENA is satisfied with the performance of its television stations and hopes to buy another vhf and uhf station, though Mr. Clark would not say when. Closer at hand is the acquisition of other electronic media—possibly in cable. "We are analyzing all of that very closely and we will make investments in new communications fields," said Mr. Clark.

The company has been saying that for some years, but it is ready to move soon. "I would hope in 1982, certainly in 1983," said Mr. Clark.

MEDIA PROPERTIES
Newspapers

CALIFORNIA: *Indio Daily News, Palm Springs Desert Sun.* MICHIGAN: *Detroit News.* NEW JERSEY: *Atlantic County Record, Egg Harbor News, Hammonton News, Millville Daily, Vineland Times Journal.*

Broadcasting

TELEVISION: WALA-TV, Mobile, Ala.; KOLD-TV, Tuscon, Ariz.; KTVY-TV, Oklahoma City; KVUE-TV, Austin, Tex.; WDVM-TV, Washington.

RADIO: WWJ (am) and WJOI (fm), Detroit.

OTHER OPERATIONS

Times Graphics Printing.

Field Enterprises

Field Enterprises, Chicago, is the country's 22nd largest media company, with 1981 media property revenues estimated by Advertising Age at $368.7 million, or 87% of total revenues estimated by AA at $425 million.

Privately owned Field Enterprises includes the *Chicago Sun-Times* among its media properties and also has substantial real estate holdings.

In recent months Field has intensified its longstanding interest in new communications technologies.

However, a late 1981 plan to solidify its foothold in cable tv with the acquisition of Eugene, Ore.-based Liberty Communications failed when the companies broke off talks two weeks ago. Liberty claims about 210,000 subscribers to cable tv systems in Alabama, California, Georgia, Illinois, Michigan, Oregon, Pennsylvania, Texas and Washington.

These would have been added to Field's own cable holdings, which currently consist of six cable franchises in southern California, serving 12,000 basic and 11,000 pay subscribers.

Field said Liberty Communications was "considering alternative forms of transaction which may include participation by Field."

The companies did not elaborate. Field's originally proposed price for Liberty Communications was not disclosed.

Field Enterprises in April sold the assets of its new Field Electronic Publishing subsidiary to KEYCOM Electronic Publishing, a partnership formed by Field, Centel Corp. and Honeywell Inc.

The joint venture was created to develop, market and operate a videotex service called KEYTRAN, which enables home and business users to retrieve information and conduct business on a tv screen.

To begin operation in mid-1983, the venture is expecting to draw 25,000 videotex subscriptions and 50,000 teletext subscriptions, generating revenues of $15 million in the first year. Field has a 16% interest in KEYCOM.

KEYCOM also plans to make a national version of KEYFAX—the teletext system Field has been testing in the Chicago area—available to approximately 20 million homes through Southern

Satellite Systems. KEYFAX consists of a scrolling version of news, sports, business, weather and leisure information. Subscribers to the service will have set-top decoders and remote control keypads with which to obtain access to the information.

Also now a property of KEYTRAN is Field's Nite-Owl news and information teletext magazine, aired on Field-owned WFLD, a Chicago uhf station, from midnight to 6 a.m.

Field has its hand in another area of communications technology as a partner in Super TV with Subscription Television of America.

In mid-June, Field ceased publication of its string of suburban shoppers. The *Chicago Sun-Times*, one of the two daily newspapers left in the city, continues to show circulation gains in its hotly contested battle with the *Chicago Tribune*. According to the Audit Bureau of Circulations, in the six months ended March 31, *Sun-Times* weekday figures climbed to 663,500 from 661,400 for the same period a year earlier; *Tribune* circulation dropped 2.5% to 770,798. Sunday circulation slid for both papers, with the *Sun-Times* down approximately 15,000 from the same period a year earlier, and the *Tribune* off by 43,000.

MEDIA PROPERTIES

Newspapers (dailies)

Chicago Sun-Times.

. Newspapers (nondailies)

Suburban Sun-Times.

Broadcasting

TELEVISION: KBHK-TV, San Francisco; WFLD-TV, Chicago; WLVI-TV, Cambridge, Mass.; WKBD-TV, Detroit; WKBS-TV, Philadelphia.

Cable/video

Field Cablevision, operator of California-based systems in March Air Force Base, Norton Air Force Base, Redlands, Riverside County, San Bernardino, San Bernardino County. Partner in both Washington-based Super TV pay tv operation and in KEYCOM Electronic Publishing.

OTHER OPERATIONS

Cabot, Cabot & Forbes, Field Realty division, Field Newspaper Syndicate, Field News Service.

Freedom Newspapers

Freedom Newspapers, Santa Ana, Cal., is the country's 43rd largest media company, with 1981 revenues estimated by Advertising Age at $194.1 million media operations.

Except for KTVL-TV, Medford, Ore., which was acquired in 1981, all of Freedom's revenues come from newspapers.

Its principal property is the Orange County Metro Group Newspapers, a trio of Southern California dailies: *Anaheim Bulletin, La Habra-Brea Star Progress* and the *Santa Ana Register*. Freedom also owns 29 other daily papers, mostly in the South and Midwest.

A major transition in Freedom's history began last January with the death of chairman Clarence Harrison Hoiles at 76. Mr. Hoiles had a 54-year newspaper career. He was publisher of Freedom's *Santa Ana Register* from 1970 to 1975, and co-chairman with his brother, Harry, from 1975 to 1979. Mr. Hoiles, a staunch advocate of freedom from government regulation, was named chairman of Freedom Newspapers in 1979.

Through May of this year, Freedom had acquired no new properties. However, according to president D.R. Segal, Freedom continues to look into acquisitions. "Right now," Mr. Segal said, "We are interested in a cable system and several tv stations." Mr. Segal declined to indicate in what parts of the country these prospective properties are located.

MEDIA PROPERTIES

Newspapers (dailies)

ALABAMA: *Dothan Progress.* CALIFORNIA: *Anaheim Bulletin, La Habra-Brea Daily Star-Progress, Marysville Appeal-Democrat, Porterville Recorder, Santa Ana Register, Turlock Daily Journal, Victorville Daily Press.* COLORADO: *Colorado Springs Gazette-Telegraph.* FLORIDA: *Fort Walton Beach Playground Daily News, Fort Pierce News Tribune, Panama City News-Herald.* INDIANA: *Crawfordsville Journal Review, Seymour Daily Tribune.* MISSISSIPPI: *Greenville Delta Democrat-Times.* NEBRASKA: *Columbus Telegram.* NEW MEXICO: *Clovis News Journal.* NEW YORK: *Hornell Evening Tribune, Wellsville Reporter.* NORTH CAROLINA: *Burlington Times-News, Gastonia Gazette, Jacksonville Daily News, Kinston Daily Free Press, New Bern Sun-Journal.* OHIO: *Bucyrus Telegraph-Forum, Lima News.* SOUTH DAKOTA: *Huron Daily Plainsman.* TEXAS: *Brownsville Herald, Harlingen Valley Morning Star, McAllen Monitor, Odessa American, Pampa Daily News.*

Broadcasting

TELEVISION: KTVL-TV, Medford, Ore.

Gannett Co.

Gannett Co., Rochester, N.Y., is the 6th largest U.S. media company, with media property revenues of $1.345 billion in 1981, or 98.2% of total revenues of $1.37 billion. Newspapers accounted for 77% of total revenues; outdoor advertising, 11%, and broadcasting, 10%.

Media property revenues were up 13% from $1.195 billion in

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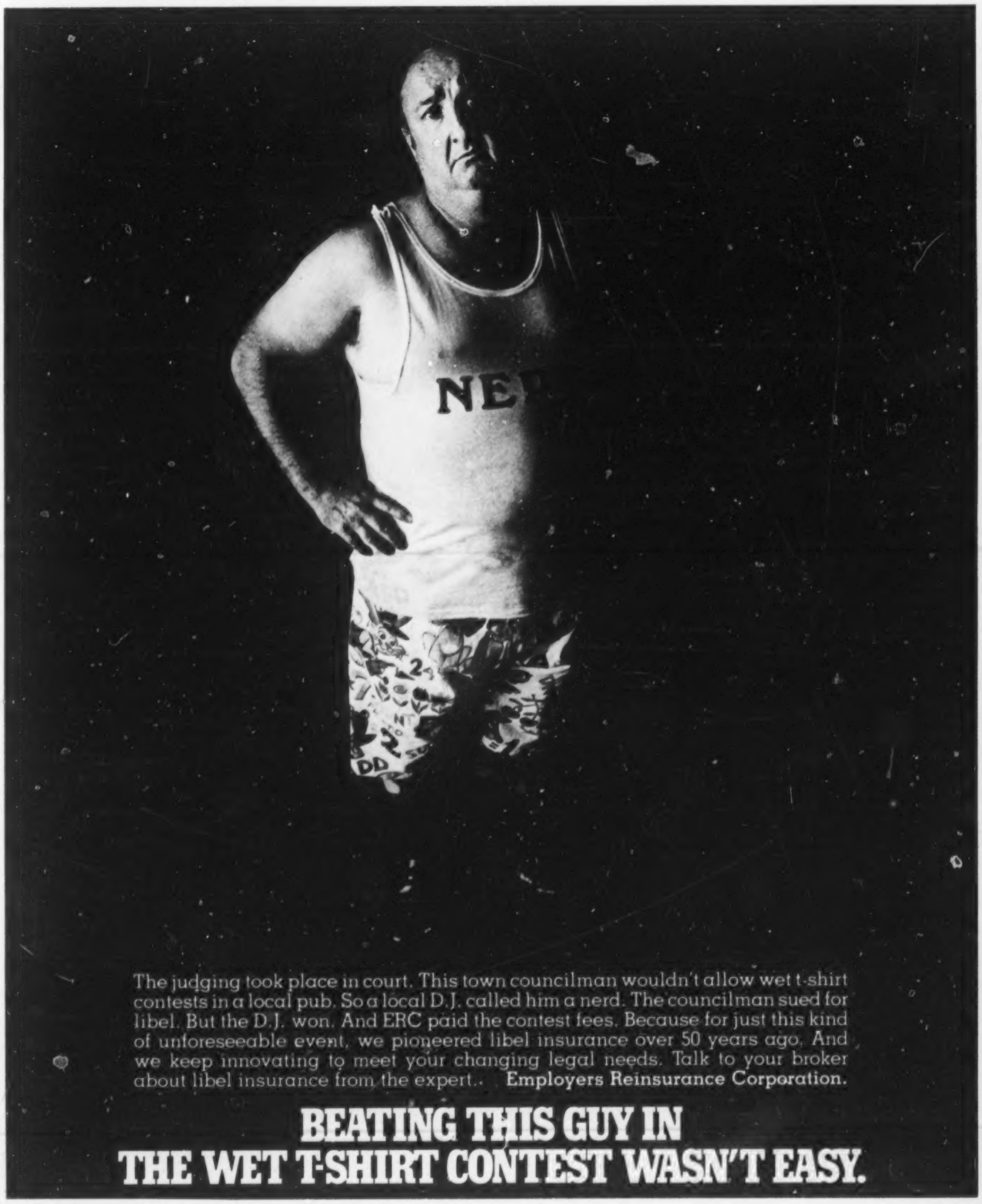

The judging took place in court. This town councilman wouldn't allow wet t-shirt contests in a local pub. So a local D.J. called him a nerd. The councilman sued for libel. But the D.J. won. And ERC paid the contest fees. Because for just this kind of unforeseeable event, we pioneered libel insurance over 50 years ago. And we keep innovating to meet your changing legal needs. Talk to your broker about libel insurance from the expert.. Employers Reinsurance Corporation.

BEATING THIS GUY IN
THE WET T-SHIRT CONTEST WASN'T EASY.

1980. Total revenues also rose 13%, from $1.215 billion. Gannett's earnings last year set a record for the 14th straight year, rising 14% to $172.5 million from $152 million.

Allen Neuharth, chairman and president, told shareholders last month that Gannett expects record profits again this year. In the first quarter, the company's earnings rose 5% to $31.6 million from $30.2 million. That was the smallest quarterly earnings rise in the 58 quarters since Gannett became a publicly owned company in 1967. Mr. Neuharth blamed the small gain on the weak economy.

Late last year, Gannett, which has grown primarily through the rapid acquisition of newspapers in one-newspaper communities, approved the most ambitious project in its history, and one that will put it squarely in competition with the major newspapers it has avoided over the years. The undertaking is *USA Today*, a national daily newspaper that Gannett plans to introduce this September in Washington, in four other markets by the end of the year and in 15 markets in all by the first quarter of 1983.

Although Gannett believes it can continue to grow under its longstanding strategy, some company followers believe the company may be wondering how much more growth it can derive by acquiring existing, mostly small, newspapers, especially when the number of attractive independent papers continues to decline.

Much of Gannett's recent newspaper revenue growth, moreover, has come from price increases rather than increased circulation or ad linage. Circulation revenues rose 13% last year to $260.9 million, but total circulation of Gannett's dailies fell for the third straight year, by 1.3% to 3.63 million. Ad revenues climbed 9.4% to $788.3 million, but ad linage rose a modest 0.3% and remained 1.5% below that of the record level of 1979.

Some critics also charge that Gannett muffed a chance to be a major factor in cable tv. They say the company's monopoly newspaper status in many markets should have encouraged it to move promptly and aggressively into cable tv ownership in those communities; instead, they say, Gannett stood on the sidelines while others were bidding cable tv properties up to what the company now says are prohibitive prices.

In any case, whether by choice or because it simply did not move quickly enough, Gannett today owns no cable systems and thus may be seeking with *USA Today* the growth many of its fellow newspaper companies see in the burgeoning cable business.

A less tangible but nonetheless important additional reason for *USA Today*, company followers believe, is the desire of Gannett and Mr. Neuharth to become the important media voice that the company heretofore has not been, despite its size and impressive financial performance. "The Nation's Newspaper," as Gannett describes *USA Today*, could make the company the "indisputable leader in the media business for your lifetime and mine," Mr. Neuharth told shareholders at last month's annual meeting.

With *USA Today*, Gannett will be competing for national advertisers with the *Wall Street Journal*, the *New York Times* and the weekly news magazines. Gannett last month disclosed what it called a unique advertising program aimed at attracting big advertisers. The plan "will help refocus the thinking of major national advertisers on the daily print medium," Mr. Neuharth told shareholders.

"We're going to be talking about it as newspaper in format and magazine in concept," said Joseph Welty, *USA Today* vp-advertising. The ad program offers the kind of rate discounts and striking four-color graphics more commonly associated with the magazine industry. To get advertisers to try the new paper, Gannett also is offering them the possibility of free ads for the publication's first eight months if they commit themselves to advertising for 15 months.

Gannett is willing to sacrifice its traditional large earnings gains to launch *USA Today*. Mr. Neuharth told security analysts recently that the company could suffer its first quarterly earnings decline in the first quarter next year, when *USA Today* is in its early expansion stage. The company has incurred only minor costs in the two-year development of the paper, but could spend about $20 million on the paper this year and $55 million in 1983, a security analyst said. Gannett says it will be able to finance the paper without any additional borrowings.

Gannett is aiming the paper at relatively affluent and mobile readers. It believes it can sell *USA Today* to about 4% or 5% of current newspaper readers, eventually selling 2.5 million to three million copies a day, which would make the paper the largest-circulation daily in the country by a comfortable margin.

Advertiser and ad agency reaction to prototypes of the new paper has been mixed, although Gannett says prototypes have been received favorably by the agencies it has talked to. Gannett plans a carefully controlled rollout of the paper through 1987, with numerous checkpoints along the way to measure performance against projections. Gannett hasn't disclosed any financial projections for *USA Today*. One security analyst has projected that the paper will break even in 1984 and earn as much as $20 million before taxes as early as 1985.

Meanwhile, Gannett has continued to seek out acquisitions. Last year, it spent $60 million to acquire the daily newspapers the *Norwich* (Conn.) *Bulletin*, the *Knoxville* (Tenn.) *Journal*, the *Gainesville* (Ga.) *Times* and the Spanish-language *El Diario-La Prensa; Poultry & Egg News*, publisher of two national poultry trade papers, and a weekly in Salem, N.J. The 50,000-circulation *El Diario-La Prensa* is the largest Spanish-language daily on the U.S. mainland; the company said it plans to use the paper as the base for serving Hispanic readers throughout the country.

So far this year, Gannett has acquired the *Jackson* (Miss.) *Clarion-Ledger* and *Daily News* and the *Hattiesburg* (Miss.) *American*, all dailies, as well as six Mississippi weeklies. The company didn't disclose the cost of those acquisitions. It said earlier this year it had the ability to spend as much as $100 million on acquisitions in 1982. Also, Gannett papers in Fort Myers, Fla., and Santa Fe, N.M., began providing news and other programing to cable operators. The moves don't signal any intention to move into cable ownership, however, the company said.

MEDIA PROPERTIES

Newspapers (dailies)

ARIZONA: *Tucson Citizen*. CALIFORNIA: *Independent Journal* (Marin County), *Oakland Tribune, Eastbay Today* (Oakland), *Salinas Californian, San Bernardino Sun, Stockton Record, Visalia Times-Delta*. COLORADO: *Fort Collins Coloradoan*. CONNECTICUT: *Norwich Bulletin*. DELAWARE: *Wilmington Morning News, Wilmington Evening Journal*. FLORIDA: *Cocoa Today, Fort Myers News-Press, Pensacola Journal, Pensacola News-Journal*. GEORGIA: *Gainesville Times*. GUAM: *Pacific Daily News* (Agana). HAWAII: *Honolulu Star-Bulletin*. IDAHO: Idaho Statesman (Boise). ILLINOIS: *Danville Commercial-News, Rockford Register Star*. INDIANA: *Lafayette Journal and Courier, Marion Chronicle-Tribune, Richmond Palladium-Item*. IOWA: *Iowa City Press-Citizen*. KANSAS: *Coffeyville Journal*. LOUISIANA: *Monroe News-Star-World, Shreveport Times*. MICHIGAN: *Battle Creek Enquirer and News, Lansing State Journal, Port Huron Times Herald, Sturgis Journal*. MINNESOTA: *Little Falls Daily Transcript, St. Cloud Daily Times*. MISSISSIPPI: *Hattiesburg American, Jackson Clarion-Ledger, Jackson Daily News*. MISSOURI: *Springfield Daily News, Springfield Leader and Press*. NEBRASKA: *Fremont Tribune*. NEVADA: *Nevada State Journal* (Reno), *Reno Evening Gazette*. NEW JERSEY: *Bridgewater Courier-News, Camden Courier-Post*. NEW MEXICO: *New Mexican* (Sante Fe). NEW YORK: *Binghamton Evening Press, Binghamton Sun-Bulletin, Elmira Star-Gazette, Ithaca Journal, El Diario-La Prensa* (New York City), *Niagara Gazette, Poughkeepsie Journal, Rochester Democrat and Chronicle, Rochester Times-Union, Saratogian-Tri County News* (Saratoga Springs), *Utica Daily Press, Utica Observer-Dispatch*, Westchester Rockland Newspapers—*Mamaroneck Daily Times, Mount Vernon Daily Argus, New Rochelle Standard-Star, Nyack-Rockland Journal News, Ossining Citizen-Register, Port Chester Daily Item, Tarrytown Daily News, Westchester County Today, White Plains Reporter-Dispatch, Yonkers Herald Statesman*. OHIO: *Chillicothe Gazette, Cincinnati Enquirer, Fremont News-Messenger, Marietta Times, Port Clinton News Herald*. OKLAHOMA: *Muskogee Daily Phoenix and Times-Democrat*. OREGON: *Salem Statesman-Journal*. PENNSYLVANIA: *Chambersburg Public Opinion, Lansdale Reporter, New Kensington Valley News Dispatch*. SOUTH DAKOTA: *Sioux Falls Argus Leader*. TENNESSEE: *Knoxville Journal, Nashville Tennessean*. TEXAS: *El Paso Times*. VERMONT: *Burlington Free Press*. VIRGIN ISLANDS: *St. Thomas Daily News*. WASHINGTON: *Bellingham Herald, Olympian*, (Olympia). WEST VIRGINIA: *Huntington Herald-Dispatch*. WISCONSIN: *Green Bay Press-Gazette, Wausau/Merrill Daily Herald*.

Newspapers (nondailies)

CALIFORNIA: *Rohnert Park-Cotati Times*. CONNECTICUT: *Norwalk Fairpress, Windham County Transcript*, (Norwich). DISTRICT OF COLUMBIA: *Washington Pennywhistle Press*. FLORIDA: *Cocoa Tribune, Melbourne Times, Seminole Citizen News, Titusville Star-Advocate*. GEORGIA: *Poultry Times, Poultry Egg Marketing* (Gainesville monthlies). MISSISSIPPI: *Clinton News, Gautier Independent, Lumberton Headblock, Madison County Herald, Ocean Spring Record, Pearl Press Chronicle*. NEW JERSEY: Suburban Newspaper Group (nine weeklies in Cherry Hill), *Salem Sampler*. NEW YORK: *Bronxville Review Press-Reporter, Saratoga Commercial News*. PENNSYLVANIA: *Butler County News, North Hills News Record* (both semiweeklies in New Kensington), *New Kensington Herald, Pennsburg Town and Country*.

Broadcasting

TELEVISION: KPNX-TV, Phoenix, Ariz.; KARK-TV, Little Rock, Ark.; KBTV, Denver; WXIA-TV, Atlanta; WPTA-TV, Fort Wayne, Ind.; WLKY-TV, Louisville, Ky.; KOCO-TV, Oklahoma City.

RADIO: MUZAK (Arizona except Tucson); KPRZ (am) and KIIS (fm), Los Angeles; KSDO (am) and KEZL (fm), San Diego; WJYW (fm), Tampa, Fla.; WVON (am) and WGCI (fm), Chicago; WLQV (am) and WCZY (fm), Detroit; KSD (am, fm), St. Louis; WWWE (am) and WDOK (fm), Cleveland.

Outdoor

Gannett Outdoor Advertising Group, MEDIACOM (Canada).

Other media properties

Gannett Newspaper Advertising Sales, Gannett News Service, Gannett Satellite Information Network, Gateway Film Productions.

OTHER OPERATIONS

Louis Harris & Associates Research, Romo Screen Printing, PIA Merchandising.

General Electric Co.

General Electric Co., Fairfield, Conn., is the country's 46th largest media company, with 1981 media-property revenues estimated by AA at $175 million, out of total revenues of $27.2 billion.

In 1980, the company had estimated media revenues of $150 million out of total revenues of $24.96 billion.

The company operates two consolidated media affiliates within its Consumer Products and Services group: General Electric Broadcasting Co., with three tv stations and eight radio stations, and General Electric Cablevision Corp., with 296,227 subscribers as of May 4, 1982.

According to Winthrop Baker, president and ceo of the two operations, "both areas went up very nicely in 1981." GE Cablevision concentrated on signing more subscribers during the year, rather than laying new cable. Nearly 60% of the homes passed are basic subscribers, and almost half (48%) of those are pay tv customers as well.

"We've invested a lot in upgrading [adding more channels] and further tiering [adding more pay tv options] to our system," Mr. Baker said. "By mid-1983, we plan to bring all of our systems up to the latest state-of-the-art technology. This can be almost as expensive as installing the initial system."

Mr. Baker indicated that 11 of GE Cablevision's 13 systems gained sizable numbers of new subscribers in early 1982, while one, in Anderson, Ind., where the unemployment rate is 22%, was flat for the year. Another system, in Peoria, Ill., also hit hard by the current recession, showed only modest gains.

"It may say something about our society, but people don't seem to be giving up their cable systems, even in hard times," said Mr. Baker. "They may cut back on pay services, but they're keeping the basic cable." GE Cablevision had revenues estimated by AA at $70 million last year.

Mr. Baker, who took over the broadcasting and cablevision business at GE a little more than a year ago, said that many restructuring plans on the broadcast side are in full swing. Last year "could be termed a 'turn around' year for our broadcasting properties," he said.

"We split tv and radio into two groups. Randy Bongarten, who was a manager of one of the radio stations, is now vice-president for the radio group," he said.

On the tv side, new general managers have been hired in Denver and Nashville. "We've made significant changes in our programing," said Mr. Baker. "In Denver, I believe we have the most original live programing of any station in the country."

He said that the station, KOA-TV, an NBC affiliate, has added two hours of news a day and a half-hour local call-in show. At 12:30 a.m., when network broadcasting has ended, the station airs a five and one-half hour call-in show that is simulcast by the company's KOA (am) radio station, a 50,000 watt, clear channel station. The station now broadcasts 42 to 45 hours of live local programing a week, including the most news of any station in the Mountain Time Zone, he said.

"It's an aggressive, lively station," said Mr. Baker. "We've completely rebuilt the station's news product with a multi-million-dollar investment and by hiring the best news director in Denver from another station." He said that similar changes are under way at WNGE-TV in Nashville, with more emphasis on news and local college sports coverage.

WRGB, the company's television station in Albany, N.Y., switched affiliation from NBC to CBS in late September last year. The No. 1 station in its market, WRGB had been with NBC since the 1920s when it became that network's first independent affiliate.

"We're becoming more total-service oriented with our television stations," said Mr. Baker. AA-estimated revenues from GE's broadcasting operations were $105 million in 1981.

MEDIA PROPERTIES

Broadcasting

TELEVISION: KOA-TV, Denver; WRGB, Albany, N.Y; WNGE-TV, Nashville.

RADIO: KFOG (fm), San Francisco; KOA (am) and KOAQ (fm), Denver; WJIB (fm), Boston; WGY (am) and WGFM (fm), Albany, N.Y.; WSIX (am, fm), Nashville.

Cable/video

General Electric Cablevision Corp. CALIFORNIA: Merced, Tracy, Vacaville, Walnut Creek. ILLINOIS: Decatur, Peoria. INDIANA: Anderson, Evansville (80% interest). MICHIGAN: Grand Rapids, Wyoming. MISSISSIPPI: Biloxi, Hattiesburg. NEW YORK: Watertown.

General Tire & Rubber Co.

General Tire & Rubber Co., Akron. O., through its wholly owned subsidiary RKO General, is the country's 50th largest media company.

Media revenues from New York-based RKO totaled $160.9 million out of General Tire's total revenues of nearly $2.2 billion.

The 30-year-old RKO entered the broadcasting field with the acquisition of a single radio network. Today, amid numerous legal problems, the company operates three television stations, 12 radio stations and three radio networks.

Last September RKO started up its second radio network, which now has 140 affiliates. In January it launched a third. RKO III leans heavily on long-form programing for specific time slots, including a midnight-to-6 a.m. talk show.

Also, last July, the company sold Cablecom-General, its cable-television arm to Capital Cities Communications for $105.7 million, which resulted in a gain of $45.1 million for RKO.

RKO's future as a broadcast company, however, is in jeopardy. In January, 1980, the Federal Communications Commission voted not to renew RKO licenses for KHJ-TV, Los Angeles, WOR-TV, New York, and WNAC-TV, Boston, because of evidence that General Tire had bribed foreign officials, kept a secret slush fund for illegal political contributions and engaged in other improper activities, described in a civil suit brought against the company by the Securities and Exchange Commission in 1976 (General Tire entered a consent decree as a result of that probe) and in a report prepared by General Tire's outside directors.

The FCC also found that RKO had been less than candid in presenting, or failing to present, the FCC with information about the SEC probe and the evidence of General Tire's wrongdoing.

General Tire appealed the FCC ruling to the U.S. court of appeals for the District of Columbia circuit. The court held, in December 1981, that RKO's "egregious lack of candor" during hearings over renewal of the Boston license disqualified the company from retaining that license. But that finding did not necessarily apply to the Los Angeles and New York stations, the court said, and it sent those cases back to the FCC for additional proceedings, which are progressing while RKO continues to operate the two stations.

The Boston station, however, is gone from the RKO fold. The U.S. Supreme Court in April refused the company's request that the high court review the FCC's decision, and last month New England Television Corp., a group of Boston investors, took over the station.

For its fiscal year ended Nov. 30, 1981, WNAC-TV had revenues of $28.2 million and net income of $4.7 million.

Once the proceedings involving the Los Angeles and New York stations are concluded, the FCC might challenge RKO's qualifications to hold licenses for all its broadcast properties. That could force the company out of broadcasting entirely.

The sale of Cablecom-General to Capital Cities arises, according to the company, from RKO's decision to move out of the capital intensive hardware end of the cable tv and into the area of software to provide programs for cable tv systems and other video markets.

To accomplish its new goal, RKO Pictures entered into a joint venture with a nationwide theatrical group and has, the annual report said, "become one of the larger independent producers of shows for pay television."

The three-year joint venture program, which began in 1980, requires RKO to contribute $25 million annually, and Universal City Studios to contribute $8.3 million for the same period.

The payoff to RKO will be 75% of the joint venture's revenues—after expenses and distribution fees—as well as additional payments.

As of Nov. 30, 1981, the venture had not released any pictures for distribution. The company's investment as of Nov. 30 was $38.6 million.

Earlier this year, RKO be-

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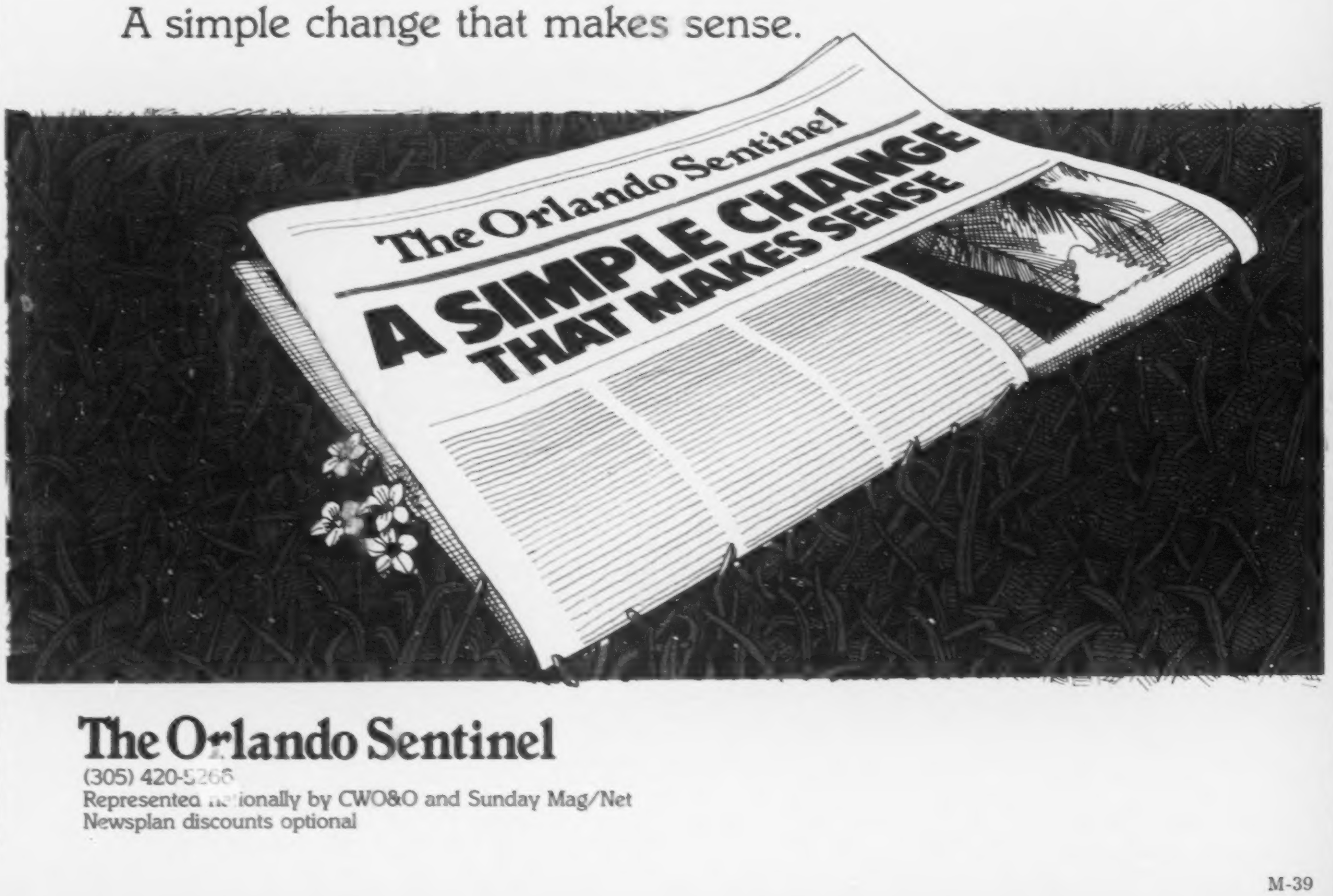
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came a charter member of the Radio Network Assn. RKO Radio Network president Tom Burchill serves as vice-chairman.

In addition to RKO, other charter members include ABC, CBS, NBC and United Stations.

The aim of the association is to promote a better understanding of network radio on the part of advertising agencies and advertisers.

In addition to its broadcast properties, a soft drink bottling division and Frontier Airlines comes under RKO's ownership. The bottling division is one of the 10 largest Pepsi-Cola bottlers in the country. These operations, which are located in Ohio and Indiana, include eight soft drink bottling companies and a canning plant.

Frontier Airlines ranks as the 13th-largest airline in the country. Based in Denver, the airline serves 86 cities in 27 states, Mexico and Canada.

MEDIA PROPERTIES
Broadcasting

TELEVISION: WOR-TV, New York; KHJ-TV, Los Angeles; WHBQ-TV, Memphis.
RADIO: KHJ (am) and KRTH (fm), Los Angeles; KFRC (am), San Francisco; WGMS (am, fm), Bethesda, Md.-Washington; WAXY (fm), Fort Lauderdale; WFYR (fm), Chicago; WRKO (am) and WROR (fm), Boston; WOR (am) and WRKS (fm), New York; WHBQ (am), Memphis. Also, RKO Radio Networks, New York.

H&C Communications

H&C Communications, Houston, is the 44th largest U.S. media company, with 1981 revenues estimated by Advertising Age at $188.3 million, all from media properties. The largest of these is the *Houston Post*, which accounted for about 75% of the company's revenues. The remainder is broadcast.

In 1980, the company, then known as Houston Post Co., had estimated revenues of $165 million.

H&C Communications, which came into being this year with the acquisition of KVOA-TV in Tucson, is privately owned and will not discuss its operations. In a 1978 *Texas Monthly* article, the company's net worth was estimated at $200 million. But Oveta Culp Hobby, chairman and editor, reportedly characterized that estimate as being a little high.

The Hobby family has owned the company since 1939. From all accounts, Mrs. Hobby, now 76, remains actively involved in the newspaper's daily affairs.

Some observers have speculated that the newspaper remains at a standstill because of Mrs. Hobby's dominance, but others suggest that the company may be moving quietly to expand its broadcast operations, as evidenced by the Tucson acquisition.

The *Post* was also stirred this year to protect its morning franchise against the *Houston Chronicle*, which became an all-day newspaper in 1980, with an aggressive advertising and promotion campaign. Launched in mid-May, the campaign featured heavy use of tv and radio. Its theme was, "The *Post* puts the good in every morning."

The campaign's creative work was a collaboration of Bower O'Neill Advertising and Dallas-based Radio Ranch. One of the principals of Radio Ranch is Dick Smith, who was creative director at the Houston agency, Rives, Smith, Baldwin & Carlberg, when it created an award-winning campaign for the rival Chronicle.

In the six months ended March 31, the "all-day" *Chronicle's* circulation rose 7.1% to an average of 393,730 copies daily, while the morning *Post's* circulation rose 8.3% to 376,879 daily.

Both papers also have increased circulation on Sunday.

In addition to the Tucson tv station the company is acquiring, H&C also owns and operates KPRC-TV, an NBC affiliate in Houston, ranked third in the market in heated competition with KHOU, the CBS affiliate. In Nashville, WTVF-TV, is No. 2 in the market.

MEDIA PROPERTIES
Newspapers

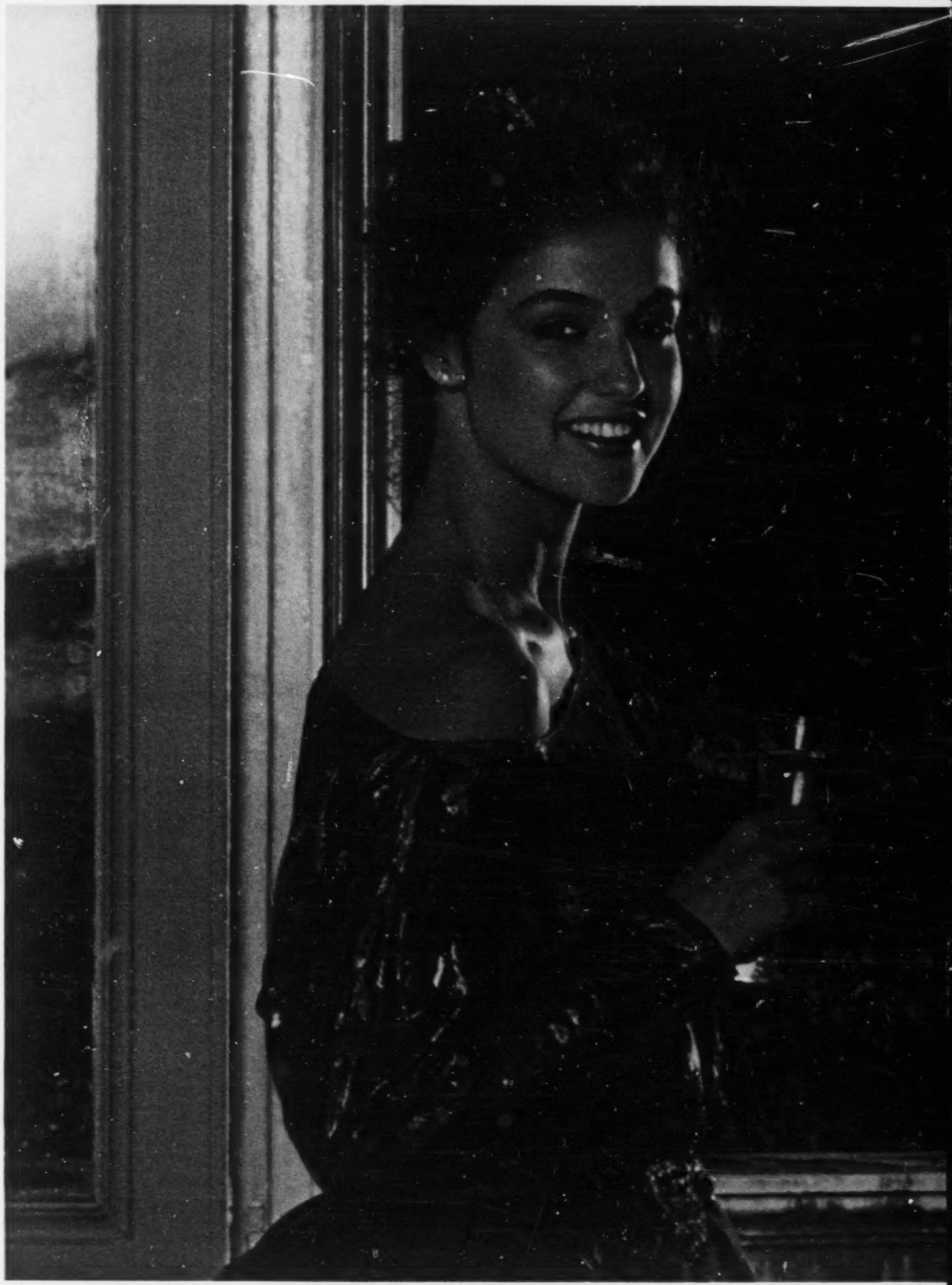
TEXAS: *Houston Post.*

Broadcasting

TELEVISION: KVOA-TV, Tucson; WTVF-TV, Nashville, Tenn.; KPRC-TV, Houston.
RADIO: KPRC (am), Houston.

Harcourt Brace Jovanovich

Harcourt Brace Jovanovich, New York, is the country's 73rd largest media company, with media operation revenues estimated by Advertising Age of $107 million last year, or 19.4%



of revenues of $539.3 million.

The publicly owned company has three operating units: HBJ Publishers (books, academic journals and instruction courses); Sea World Enterprises (marine parks, food processing and services and land development), and its media group, HBJ Communications and Services (magazines, tv, insurance, book clubs and management consulting).

Revenues of the communications and services group were $113 million in 1981, with magazines and tv representing about 95% of the total, according to AA estimates.

Founded in 1919 as a pioneer in educational, general and professional books, HBJ has since made a practice of entrenching itself in strong educational markets, including elementary and secondary textbooks, tests and supplies; scientific books and journals; law, business and accounting publications and learning materials for college students.

The bulk of total HBJ operating profits—about 53% last year—comes from HBJ Publishers, but this division has been hurt more than the others by the recession. The division's operating profits fell 18% last year despite a 5.4% increase in sales.

In the company's 1981 annual report, William Jovanovich, chairman and chief executive officer, said the pinch was felt most acutely in research and instructional publications.

Mr. Jovanovich expressed hope, however, for a steady gain in market share over the next five years. He said he expects continued market growth for educational testing materials, as well as for fiction and general nonfiction books.

The need to brighten this division's profit picture led to HBJ's somewhat startling decision to head for the Sunbelt. Last February, the company announced that it would move corporate and certain divisional headquarters out of New York—the home office since HBJ was founded more than 60 years ago—to San Diego and Orlando.

Although the move surprised the publishing world and distressed New York's City Hall, HBJ said the decision came only after 20 months of intense study and analysis of ways to cut costs.

The move will not affect HBJ Communications and Services, which will remain in New York City in new headquarters—an HBJ-owned building at 111 Fifth Ave.

In 1981, HBJ Communications and Services sales rose 7%; earnings for this division rose 23% from last year. Robert Edgell, the division's chairman and ceo, said the versatility of HBJ Communications and Services has helped during the economic downturn. Some of the industries served by its publications—for example, oil—are booming, offsetting the effects of those—such as housing—that are not.

J. Kendrick Noble, publishing analyst with Paine, Webber, Jackson & Curtis, agrees that diversification has served HBJ well. "Its strategy of being a relatively big fish in lots of small ponds that the company knows very well has paid off," Mr. Noble said.

In April, HBJ Communications and Services made two major acquisitions that brought to 111 the number of the division's publications. The company first purchased *DVM: The Newsmagazine of Veterinary Medicine*, from Gridley Publications, reportedly satisfying a longstanding corporate interest in this branch of medicine. The company also publishes related magazines such as *Modern Medicine*, *Geriatrics*, *Physician's Management*, *Dental Management* and *Dental Laboratory*.

Shortly after acquiring *DVM*, HBJ bought Chicago-based Magazines for Industry, publisher of 16 magazines including *Beverage Industry*, *Candy & Snack Industry*, *Food & Drug Packaging* and *Paperboard Packaging*.

HBJ shows no signs of diversifying from its trade publishing base—either in magazines or books. Here history seems to have taught a lesson: In 1979, HBJ divested itself of two unsuccessful forays into the strictly consumer market: Jove Publications, publisher of mass-market paperbacks, and *Human Nature*, a highly publicized, glossy, popular magazine into which the company had plowed substantial sums.

MEDIA PROPERTIES

Magazines

HEALTH CARE: *Dental Industry News*, *Dental Laboratory Review*, *Dental Laboratory Review Buyer's Guide*, *Dental Management*, *Geriatrics*, *Hearing Instruments*, *Hospital Formulary*, *Modern Medicine*, *Modern Medicine Pocket Guides*, *Neurology*, *Physician's Management*. ENERGY: *Brown's Directory*, *Energy News*, *Energy Week*, *LP-Gas*, *Petroleum*

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GQ

*Adweek, February 22, 1982

Engineer International, Pipeline & Gas Journal, SGA Directory. FARM: *Action Pac, Colorado Farmer & Rancher, Florida Grower & Rancher, Kansas Farmer, Michigan Farmer, Missouri Ruralist, Nebraska Farmer, Ohio Farmer, Pennsylvania Farmer.* EDUCATION: *Instructor, Instructor Action Cards, Instructor Computer Directory for Schools, Instructor Education Service, Industrial Education, Industrial Education Product Sales Cards.* MERCHANDISING: *ASIA Show Daily, Body Fashions/Intimate Apparel, Body Fashions/Intimate Apparel Directory, Body Fashions/Intimate Apparel Market Maker, Flooring, Flooring Market Shoppers, Gourmet Today, Home & Auto, Home & Auto APAA Show Dailies, Home & Auto Buyer's Guide, Hosiery & Underwear, House-wares, Housewares Show Stoppers, Housewares USA, NEOCON Market Shopper, Pets/Supplies/Marketing, Rent All, Rent All Show Dailies, Selling Christmas Decorations, Toys, Hobbies & Crafts, Toys, Hobbies & Crafts Directory, Toy Trade News, Hobby Show News.* FOOD SERVICE & PROCESSING: *Food Management, Food Plant Ideas Idea File, Food Plant Ideas Post Cards, Quick Frozen Foods, Quick Frozen Foods Directory of Frozen Food Processors.* COMMUNICATIONS: *Communications News, Telephone Engineer & Management, Telephone Engineer & Management Directory, Telephone Engineer & Management Fast Action Post Cards.* TRAVEL & LODGING: *Directory of Incentive Travel International, Hotel & Motel Management, Hotel & Motel Management Buyer's Guide, Quick Order Product Directory, Worldwide Meetings & Incentives, Worldwide Meetings & Incentives Destination Guide.* MANUFACTURING, DISTRIBUTING & SERVICE: *Drug & Cosmetic Industry, Drug & Cosmetic Catalog, International Turfgrass Show Daily, Lawn Care Industry, Lawn Care Industry Show Daily, Paper Sales, Paper Sales Convention News, Paper Year Book, Pest Control, Pest Control Show Daily, Professional Remodeling, Roofing/Siding/Insulation, RSI Extra, Snack Food, Weeds, Trees & Turf.* Also, recent acquisitions, as follows: MAGAZINES FOR INDUSTRY: *Beverage Industry, Beverage Industry Annual Manual, Candy Marketer Quarterly, Candy & Snack Industry, Candy & Snack Industry Buying Guide, Dairy Field, Dairy Industry Catalog, Food & Drug Packaging, Food & Drug Packaging Post Cards, Paperboard Packaging, Official Board Markets, International Container Directory, Official Container Directory, Books For Industry, Inside Industry, Candy & Snack Industry Update.* GRIDLEY PUBLICATIONS *DVM, Newsmagazine of Veterinary Medicine.*

Newsletters

"Aviation Monthly," "Business Digest," "Cosmetic Insiders Report," "Homeowner's Advisory Letter," "Investing in Real Estate," "Managing: The Entrepreneur's Guide to Success," "Real Estate Investing Letter," "Rental House & Condo Investor."

Broadcasting

TELEVISION: WDIO-TV, Duluth, Minn.; WIRT-TV, Hibbing, Minn.

Harte-Hanks Communications

Harte-Hanks Communications, San Antonio, is the 26th largest media company in the nation, with media property revenues of $300.9 million in 1981, or 86% of total revenues of $348.5 million. Media revenues rose 12% from $268.6 million in 1980, while total revenues were up 15% from $303.7 million.

The publicly owned company said it derived 61% of last year's revenues from newspapers, including shoppers, and 20% from broadcasting.

Harte-Hanks' earnings last year rose 12% to a record $25.4 million from $22.7 million.

The first quarter this year, according to president and chief executive officer Robert G. Marbut, "was probably the toughest we've experienced since Harte-Hanks went public in 1972." Nevertheless, Harte-Hankes reported revenues of $86.7 million for the first quarter, an increase of 7.5% from the first quarter the previous year; earnings rose to $4.4 million from $4.2 million. It was the company's 41st consecutive quarter of earnings growth over the same quarter of the previous year.

The company had speculated in mid-1981 that the first quarter of 1982 might be tight because of "revenue softness" in several lines of business, including radio, the general national economic climate, increased interest expenses and other factors. However, at the company's annual meeting last month, Larry D. Franklin, executive vp, predicted record earnings for 1982.

Mr. Marbut recently told security analysts that the company "has selected four mainstream businesses and four new businesses to concentrate on in the next few years: Newspapers, Pennysavers, radio and tv [two print, two electronic] are the mainstream businesses that we will continue to nurture and support. The four new businesses that we will continue to expand are: Cable tv, selected entertainment software, electronic information systems and consumer distribution marketing" (targeted marketing of advertising products to the consumer's doorstep).

Harte-Hanks owns and operates daily newspapers and nondaily publications, including weekly newspapers, advertising publications produced by newspapers and a radio trade publication. In addition, HHC publishes Pennysavers and shoppers that reach 2.5 million households each week, owns four tv stations, five am and six fm radio stations, manages or owns several cable tv systems and owns and operates seven marketing services companies, 22 direct-mail systems and 14 alternative delivery systems.

During 1981 the company made changes in several business areas. Radio revenues in two markets went down, which triggered changing the formats of the two stations (WNIS-AM, Tampa and KMJK-FM, Portland).

Wayne Kearl, chairman and ceo of broadcasting and entertainment retired on Dec. 31, remaining in an advisory role as assistant to the president. William G. Moll was named president and ceo of the group and senior vp of Harte-Hanks. Mr. Moll is former president and ceo of the tv group.

While newspaper revenues increased 13% last year, the company indicated increasing concern for the effect of high interest rates on retailers, some of whom are turning to alternate, less costly sources of advertising. Retail ads have accounted for more than 60% of the company's newspaper revenues.

The company said newspapers are being hurt by advertiser shifts from r.o.p. advertising to inserts and "marriage mail," in which retailers send advertising directly to consumers. Concern for retail ad trends was not unfounded. Insert accounts lost during the year included a K mart insert (1.4 million per week) and a Fed Mart insert in Pennysavers, both to a marriage mailer.

The company last year acquired the *Post-Dispatch*, Dardanelle, Ark., and *News-Herald*, Del Rio, Tex. The company sold Show Case Publishing, publisher of *Fashion Showcase*, a Dallas-based publication for apparel buyers, to Taylor Communications.

In cable, Harte-Hanks signed option agreements to acquire UltraCom, Montgomeryville, Pa., from AEL Industries, and to acquire Southwestern Satellite. UltraCom operates 13 cable tv systems in eight states and has three systems under development. Southwestern Satellite operates a cable tv system in the Houston area adjacent to systems owned and managed by HHC. Both options are exercisable in 1984. The company said the acquisitions "would substantially increase Harte-Hanks' presence in the cable industry."

In December, the company handed its $1 million advertising account to Cunningham & Walsh, Dallas, from KCBN, Dallas, following the move of Harve Chapman from KCBN to president of C&W/Dallas.

Since the start of 1982 Harte-Hanks has reorganized its consumer distribution marketing group, integrating distribution and shopper publishing activities into two groups: CDM East and CDM West. The change was described by a company spokesperson as "more of an evolution rather than a revolution," caused by growth. In 1981 CDM completed a $6.6 million publishing/printing/distribution plant in Brea, Calif.

In April of this year Harte-Hanks acquired Tele-Research and TRIM, both of Los Angeles, for undisclosed amounts. With combined revenues estimated last year of approximately $3.8 million, plus the $8 million HHC's other two research companies, Urban Data Processing and RHM Research, reported last year, HHC becomes one of the top 20 research companies in the nation.

Harte-Hanks' *Middlesex News*, Framingham, Mass., is participating with 10 other newspapers in a CompuServe and Associated Press project testing electronic information dial-a-computer access to subscribers who own home computers.

In addition to Mr. Marbut's posts of president and ceo, he is also chairman of the telecommunications committee of the American Newspaper Publishers Assn.

In that capacity, Mr. Marbut spent much of his time in 1981 lobbying against American Telephone & Telegraph's proposed testing of its "electronic Yellow Pages" in Austin. His efforts resulted in the Texas Public Utilities Commission ordering a new hearing on the matter.

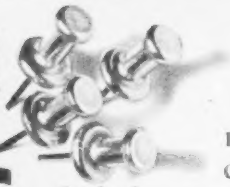
MEDIA PROPERTIES

Newspapers (dailies)

ARKANSAS: *Malvern Daily Record, Russellville Daily Courier-Democrat, Searcy Daily Citizen, Stuttgart Daily Leader.* GEORGIA: *Carrollton Daily Times Georgian.* MASSACHUSETTS: *Middlesex News* (Framingham). MICHIGAN: *Ypsilanti Press.* NEW JERSEY: *Gloucester County Times*, Woodbury. OHIO: *Hamilton Journal News.* SOUTH CAROLINA: *Anderson Daily Mail, Anderson Independent.* TEXAS: *Abilene Reporter-News, Big Spring Herald, Bryan-College Station Eagle, Corpus Christi Caller, Corpus Christi Times, Corsicana Daily Sun, Del Rio News-Herald, Denison Herald, Greenville Herald Banner, Huntsville Item, Marshall News Messenger, Paris News, San Angelo Standard, San Angelo Times, Wichita Falls Record News, Wichita Falls Times.* WASHINGTON: *Yakima Herald-Republic.*

Newspapers (nondailies)

ARKANSAS: *Dardanelle Post-Dispatch, Greenwood Democrat, Greenwood Advertiser, Malvern Advertiser, Malvern Meteor Journal, Paris Express-Progress, Russellville Greensheet, Searcy White County Citizen, Stuttgart Grand Prairie Shopper's Guide.* ARIZONA: *Tuscon Shopper.* CALIFORNIA:



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California Shopper (Los Angeles, Riverside and San Bernardino Counties.), *Coronado Journal, La Jolla Light, Potpourri* (Santa Clara County), *Sentinel, Simi Valley Pennysaver* (Los Angeles and Ventura Counties.), *Star-News, Star-News Advertiser* (San Diego County), *San Francisco Progress, Van/De Pennysaver* (Los Angeles and Orange Counties). GEORGIA: *Bremen Gateway, Haralson County Tribune* (Buchanan), *Carrollton Total, Douglas County Sentinel,* (Douglasville), *Tallapoosa Journal-Beacon, Walton Tribune* (Monroe). MASSACHUSETTS: *Tri-County TV Facts* (Framingham). MICHIGAN: *Ypsilanti Today.* NEW JERSEY: *Gloucester County Times Advertising* (Woodbury). OHIO: *Fairfield Echo, Hamilton Journal-News Green Sheet.* SOUTH CAROLINA: *Shopping Guide, Home Buyers Guide, Hometowner,* all in Anderson. TENNESSEE: *Gatlinburg Press, Mountain Visitor, Bert's Bargain Bonanza* (all in Gatlinburg), *Sevier Country News-Recorder* (Sevierville). TEXAS: *Big Spring Window Shopper, Brazos Valley Review,* (Bryan/College Station), *Commerce Journal, Commerce Advertiser, Cooper Review, Corpus Christi Pennysaver Plus, Corpus Christi Community Life, Corsicana Weekly Light, Corsicana Sunlight Shopper, El Paso Shopping Guide, Greenville Green Wave Advertiser, Huntsville Advertiser, Marshall Dollar Saver, Paris Merchandiser, Lamar County Echo* (Paris), *Shoppers Guide* (Dallas, Tarrant and Collins Counties), *TV Showcase, Super Saver, Monitor,* all in San Angelo. WASHINGTON: *Yakima Valley Scene, Yakima Valley View.*

Broadcasting

TELEVISION: WTLV-TV, Jacksonville, Fla.; KYTV-TV, Springfield, Mo., WFMY-TV, Greensboro, N.C., KENS-TV, San Antonio, Tex.

RADIO: WSGN (am), Birmingham, Ala.; KOY (am) and KQYT (fm), Phoenix; WNSI (am), St. Petersburg and WRBQ (fm), Tampa, Fla.; KMJK (fm), Lake Oswego, Ore.; WEZI (fm), Memphis; KULF (am) Houston and KYNW (fm) Pasadena, Tex.; WRVA (am) and WRVQ (fm) Richmond, Va.

Cable/video

COLORADO: Akron, Otis, Yuma (all National Telecommunications Services). TEXAS: Deer Park, La Porte, Morgan's Point (all Kip-Lee CATV); Houston (Southwestern Satellite), Pasadena (Pasadena CATV); South Houston (South Houston CATV). PENNSYLVANIA: Montgomeryville (UltraCom).

Magazines

Radio & Records.

OTHER OPERATIONS

AAA Direct Mail Advertising, Salt Lake City; Abilene Publishing, Abilene Tex.; Advertising Distributors of America, Chicago; Advertising Distributors of Maryland, Baltimore; American Advertising Service; Corpus Christi Commercial Printing; Greater Houston Mailing Service; Harte-Hanks Distribution; Jordan Dennis Co., Dorchester, Mass.; Media Research, Fair Lawn, N.J.; National WATS Service, Fair Lawn, N.J.; Nortex Offset Publications, Wichita Falls, Tex.; Publisher's Offset, San Diego County, Cal.; RMH Research, Fair Lawn, N.J.; R&R Entertainment, Los Angeles; TRIM, Los Angeles; Tele-Research, Los Angeles; Urban Data Processing, Burlington, Mass.

Hearst Corp.

Hearst Corp., New York, is the ninth largest U.S. media company, with 1981 media property revenues estimated by ADVERTISING AGE at $1.2 billion. Hearst's total revenues were not available.

Hearst had estimated media revenues in 1980 of $1.1 billion.

The company in recent months has been establishing itself as "a total communications" organization, with the new technologies of cable, videodiscs, videocassette recording and videotex coming in for particular attention. Hearst's *San Francisco Examiner* is participating in a videotex test and over-all the company is looking into all phases of electronic publishing. Still, Hearst believes that the new technologies generally may be getting a disproportionate amount of publicity to the neglect of the traditional media.

The thinking is that the growing new technologies provide Hearst with promising opportunities to extend already strong franchises in magazines (both consumer and trade), newspapers, books and broadcasting into additional uses. Yet the current recession has hit home. It has adversely affected some newspaper and book operations.

Hearst is strongest in the traditional areas of magazines and newspapers. The company publishes 21 magazines, including *Harper's Bazaar, House Beautiful, Town and Country, Cosmopolitan* and *Good Housekeeping.* It distributes them in 30 countries in eight languages.

Hearst publishes 13 newspapers coast to coast, ranging from the *Examiner* to Albany, N.Y.'s *Times Union* and *Knickerbocker News.*

The big news for Hearst last year in newspapers was the purchase, for more than $15 million, of 28 Southern California weeklies and two small dailies with an estimated total circulation of about 425,000 (compared with the 285,000 daily circulation of the company's *Los Angeles Herald Examiner*). They are combined once a week with the *Herald Examiner* and sold to advertisers as a package. The company's interest in smaller newspapers is a relatively recent development, and in Southern California is designed to bolster the *Herald Examiner* as an advertising force, particularly in the suburban areas, where the paper was weakest.

Some Hearst dailies, such as the *Los Angeles Herald Examiner* and *Boston Herald-American,* have been seeking to reposition themselves in the marketplace. The Los Angeles paper has switched from a p.m. to a.m. newspaper, now going head-to-head with the dominant *Los Angeles Times.* In Boston, the *Herald-American,* trying to tough it out with the *Boston Globe,* has been publishing as a tabloid since last Sept. 13. In Seattle, Hearst's *Post-Intelligencer* is involved in an attempt to merge the paper's production, advertising and printing operations with the competition daily, *Seattle Times.* Earlier in the year, a Justice Department law judge, in ruling that the *Post-Intelligencer* should be permitted to publish jointly with the *Seattle Times,* pointed out that the Hearst paper qualifies as a "failing newspaper" under antitrust law.

Hearst Cable Communications division was established in May, 1980, to acquire cable tv systems and to develop programing and other opportunities for Hearst print-related resources.

Hearst's broadcasting interests cover five tv stations and a total of seven am and fm radio stations in major markets such as Baltimore, Pittsburgh, Milwaukee and San Juan, Puerto Rico. One of the bigger tv stations, KMBC-TV in Kansas City, is a recent acquisition, approved May 18 by the Federal Communications Commission. Hearst bought the station from Metromedia Inc. for $79 million in cash.

The move to expand in broadcasting started last year with acquisition of WDTN-TV in Dayton, O., for $49.9 million. It was the first action by Hearst in 15 years to expand its tv-related holdings. This expansion has progressed to where Hearst now has its full complement of five vhf stations, four of them ABC-TV affiliates, and WBAL-TV in Baltimore, affiliated with CBS-TV.

Hearst/ABC Video Services, the joint venture formed with American Broadcasting Co. 18 months ago, is on track producing and supplying programing for two specialized cable network services, Alpha Repertory Television Service or ARTS and "Daytime." ARTS began its second year of programing in March. It's a nightly cable tv service devoted to the performing arts and is advertiser-supported. "Daytime," a four-hour weekday video magazine specializing in programing for women that is delivered by satellite and advertiser-supported, started on March 15.

The thrust of the joint venture is to create, own and operate these services as an independent subsidiary. The pivotal appointment in the venture was the installation of James N. Perkins as president and chief operating officer. He was recruited from Washburn Associates, the Chicago-based marketing and advertising agency he founded.

The strength Hearst brings to the venture is its sophisticated knowledge of the women's market. In addition to developing still other specialized cable network services, Hearst/ABC plan to explore ancillary uses for the programing they turn out together, including videocassette and videodisc applications.

Also new at Hearst is King Features Entertainment, earmarked to move aggressively into program production, distribution and licensing for all tv and home video media worldwide. Former Time-Life Films president Bruce L. Paisner heads the new Hearst subsidiary.

Hearst publishes numerous books (not counted among media properties). These include hard-cover best sellers such as "Come Pour The Wine" and "Portraits" under the Arbor House imprint, and "The Thorn Birds" and "Ashes in the Wind" from Avon in paperback. Hearst, too, is the operator of King Features, which is home of "Popeye" and "Blondie" comics strips. The company also is involved in such other industries as forest products, real estate and ranching.

Acquisition last year of the William Morrow & Co. book publishing company was aimed at strengthening the Hearst position in the general interest publishing field, allowing the company to better compete for the works of big-name authors. Morrow was acquired from SFN Co., Glenview, Ill., for more than $22 million.

MEDIA PROPERTIES

Newspapers (dailies)

CALIFORNIA: *Daily Southeast News* (South East Los Angeles), *Huntington Park Daily Signal, Los Angeles Herald Examiner, San Francisco Examiner.* ILLINOIS: *Edwardsville Intelligencer.* MARYLAND: *Baltimore News American.* MASSACHUSETTS: *Boston Herald-American.* MICHIGAN: *Huron Daily Tribune* (Bad Axe), *Midland Daily News.* NEW YORK: *Albany Knickerbocker News, Albany Times Union.* TEXAS: *Midland Reporter Telegram, Plainview Herald, San Antonio Light.* WASHINGTON: *Seattle Post-Intelligencer.*

Newspapers (nondailies)

28 weeklies in California.

Magazines

Colonial Homes, Connoisseur, Cosmopolitan, Country Living, Good Housekeeping, Harper's Bazaar, House Beautiful, Motor Boating & Sailing, Popular Mechanics, Science Digest, Sports Afield, Town & Country. Also United Technical Publications, which publishes the following: *Electronic Products, EEM—Electronic Engineers Master, I.C. Update, I.C. Master, Today's Office, Office World News, Lens, Lens On Campus, Floor Covering Weekly, Industrial Machinery News, Black Book Guides.*

Broadcasting

TELEVISION: WBAL, Baltimore; KMBC, Kansas City; WDTN, Dayton, O.; WTAE, Pittsburgh; WISN, Milwaukee.

RADIO: WTAE (am) and WXKX (fm), Pittsburgh; WAPA (am), San Juan, Puerto Rico; WBAL (am) and WLPX (fm), Milwaukee.

OTHER OPERATIONS

Arbor House Publishing, Avon Books, Cal Graphics, Eastern News Distributors, Hearst Advertising Service, Hearst Cable Communications, Hearst Metrotone News, Hearst Special News Service, International Circulation Distributors, King Features Entertainment, King Features Syndicate, William Morrow Publishing, National Magazines Ltd. (in the U.K.), Periodical Publishers Service Bureau, Pjepscot Paper, Puck-The Comic Weekly, Reader Mail, Arthur Schroeder Paper Co., Sunday Colorcomics.

Houston Chronicle Publishing Co.

Houston Chronicle Publishing Co., Houston, is the 51st largest U.S. media company, with 1981 revenues estimated by ADVERTISING AGE at $160.6 million, all from its sole business, the *Houston Chronicle.* The *Chronicle* last year edged out the *Chicago Tribune* for the No. 2 slot in total advertising linage in the nation, ranking second only to the *Los Angeles Times.*

Last year's revenues were up 20% from estimated revenues in 1980 of $133.7 million.

The all-day newspaper is part of the Houston Endowment, a private charitable foundation created upon the death of Houston businessman Jesse H. Jones in 1956. Mr. Jones left the newspaper, several banks, corporations and various other properties in the endowment.

A federal tax statute, the Tax Reform Act of 1969, requires that by 1989 the endowment can have no more than 50% interest in the *Chronicle,* but to date there have been no reports of serious negotiations of a possible sale of the paper. Industry analysts have said the paper could be sold for $200 million to $400 million.

For the fourth consecutive year the *Chronicle* was first in the nation in classified ad linage with 62.7 million lines, up 1.4 million from 1980. In both retail and general advertising the *Chronicle* ranked sixth in the country. Total advertising was 119 million lines, up 2.9 million from 1980.

For the six months ended March 31, the *Chronicle,* which became an all-day publication in 1980, had average daily circulation of 393,730, up 7% from the year-ago period. Sunday circulation rose 6.2% to 481,319. Daily and Sunday circulation of the rival *Houston Post* also increased.

As competition between the two papers continues to intensify, the *Chronicle* is shifting to a new phase of its award-winning ad campaign. For the last two years, the campaign created by Houston agency, Rives, Smith, Baldwin & Carlberg, has featured celebrities extolling the virtues of reading newspapers. But the campaign has sparked a competitive response from the *Houston Post,* and a new *Chronicle* campaign is in the offing.

Last December the paper opened two additional auxiliary printing plants and relocated another within the city, bringing the total of such satellite centers to six. The centers facilitate distribution in the increasingly congested city and also serve as advertising offices.

Three years ago the *Chronicle* began a sports information telephone line and has since added traffic, weather and the first business information service in the country as a major newspaper.

In February the newspaper added a sixth press, a nine-unit Rockwell-Goss Metroliner offset press.

Last November the newspaper purchased what is believed to be the second most-used computer-based terminal system in the world, System Integrator's System/55, to replace the paper's existing systems. While editorial and classified will be the heaviest users of the new system, eventually all advertising, publicity, promotion, information systems, credit, accounting and composing will use it.

MEDIA PROPERTIES

Newspapers(dailies)

TEXAS: *Houston Chronicle.*

Howard Publications

Howard Publications, Oceanside, Cal., is the nation's 74th largest media company. Robert S. Howard, founder and owner of the privately held company, declined to release any specific earnings figures, but estimated that revenues at his company in 1981 totaled $100 million, all from media revenues. This compares with revenues estimated by ADVERTISING AGE of $87 million in 1980.

Most of the revenues—$90,000,000, or 90% of the total—came from Howard's newspaper properties. Howard says this figure is a 15% increase from 1980 newspaper revenues, and that both advertising and circulation revenues were up, with circulation up also for all newspapers combined. Howard owns 18 newspapers, all dailies, with a total circulation of 334,028; they range in size from the *Northwest Colorado Press*, in Craig, Colo., with its circulation of 4,627, to the *Hammond* (Ind.) *Times*, which puts out 69,774 papers every evening.

The balance of Howard's 1981 revenues, an estimated $10,000,000, came from WIVB-TV, Buffalo, N.Y., the company's sole broadcast property. Howard acquired that station in 1977, and its earnings rose some 20% from 1980; Mr. Howard declares himself "very much satisfied" with its performance.

Last year was a memorable one for the company. Howard streamlined his operations in 1981 by selling One Systems, Oceanside, an electronics systems company, to Compugraphic Corp. of Wilmington, Mass., because "[One Systems] was outside our main line of business," Mr. Howard says. At the same time, the company picked up the *Pekin Daily Times*, a daily newspaper with a circulation of 21,000 readers in that central Illinois community.

But perhaps most significant, 1981 saw Howard enter a joint venture with Donrey Media Group, Fort Smith, Ark., to acquire his company's first interest in cable television. The property was Overthrust Cable TV, a franchise in Evanston, Wyo., with some 2,000 subscribers.

Since then, Howard's cable ventures have gained momentum. In April, 1982, the Howard-Donrey partnership acquired its second and most recent cable franchise: Falcon Communications, based in Los Angeles. Howard says there will "probably" be yet another cable purchase in 1982; he cites cable's "bright future" to explain his company's interest.

The expected completion date for Falcon's system, now under construction, is 1984; it would then pass about 300,000 Southern California homes. Howard expects to have 100,000 basic subscribers by that time. At present, Falcon reaches 10,000 subcribers in the Southern California towns of Norwalk, Huntington Park and Alhambra.

MEDIA PROPERTIES

Newspapers (dailies)

CALIFORNIA: *Oceanside Blade-Tribune, San Clemente Sun-Post.* COLORADO: *Northwest Colorado Press* (Craig). IDAHO: *Twin Falls Times-News.* ILLINOIS: *Charleston Times-Courier, Freeport Journal-Standard, Mattoon Journal-Gazette, Pekin Daily Times.* INDIANA: *Hammond Times, Logansport Pharos-Tribune & Press.* IOWA: *Sioux City Journal* (owned jointly with Hagadone Newspapers). KENTUCKY: *Maysville Ledger—Independent.* NEW YORK: *Auburn Citizen-Advertiser, Corning Leader, Glens Falls Post-Star.* PENNSYLVANIA: *Carlisle Sentinel.* SOUTH CAROLINA: *Orangeburg Times & Democrat.* WYOMING: *Casper Star-Tribune.*

Broadcasting

TELEVISION: WIVB-TV, Buffalo, N.Y.

Cable/video

CALIFORNIA: Alhambra, Huntington Park, Norwalk. WYOMING: Evanston.

Jefferson-Pilot Corp.

Jefferson-Pilot Corp., Greensboro, N.C., is the nation's 77th largest media company, with media property revenues in 1981 of $91.4 million, compared to 1980's $81.6 million. Earnings from media operations totaled $9.9 million in 1981, up from $7.9 million in 1980.

Media revenues of the publicly held company, whose primary business is insurance, accounted for 9.3% of total revenues of $978.7 million last year. Total revenues in 1980 were $885 million. Total profits last year were $100.4 million, up from $92.5 million.

The company's media holdings consist of two television and 11 radio stations and six daily and 10 nondaily newspapers and 18 shoppers. Broadcasting contributed about 54% of total media revenues, or $49.9 million in 1981. Publishing revenues in 1981 totaled $41.5 million. Net income from broadcasting was $6.9 million in 1981, up from 1980's $5.9 million, while net income from publishing rose to $3 million from $2 million.

It was a rebounding year for the 79-year-old corporation, which entered the media field in 1922, when it purchased CBS radio affiliate WBT in Charlotte, N.C. Net income for its media divisions not only recovered from 1980's disappointing showing but set a record, topping the record of 1979.

Stronger showings in the broadcasting properties were attributed to management restructuring and format changes brought about in 1980.

Wallace Jorgenson, president of Jefferson-Pilot Broadcasting, said format changes at its two Denver stations, KIMN (am) and KYGO (fm), from rock to country music resulted in a 48% profit increase for the two stations in 1981. The format change also helped the am station to jump to fifth place in the market from 13th.

While the company's flagship radio station, WBT (am), fell from first to second place in the fall Arbitron rankings in its market, the division president expressed confidence the station would reclaim the top spot in 1982. Only four of the company's 11 radio stations rank in the top five of their markets.

"We're looking at ways to improve the stations' profit margins, but I don't want to give away any plans we have in store just yet," Mr. Jorgenson said.

The company's biggest accomplishment in 1981 in its tv properties was fine-tuning its computerized news system, Electronic News Processing (ENP), which it hopes to lease to other stations, Mr. Jorgenson said. ENP was introduced at the National Assn. of Broadcasters conference in Dallas last April, and Mr. Jorgenson said the prospects for leasing the system to other stations was promising.

"Our Charlotte station [WBTV] was the guinea pig for this project," he said. "We wanted to get the kinks out of this system first before we went national with it." ENP will provide tv and radio news staffs with instant access via computer terminals to recorded news and can be used to help stations produce their own news programs electronically.

Installation of satellite earth stations at Jefferson-Pilot tv stations WBTV in Charlotte and WWBT in Richmond, Va., in 1980 and 1981 now enable the two stations to receive live programing from their own Washington news bureaus, as well as direct reception via satellite of syndicated programing and other transmissions, Mr. Jorgenson said.

Meanwhile, last year was one of fine-tuning for the publishing arm of Jefferson-Pilot. Acquisitions, a byword at the division in 1980, still had a strong presence in 1981 but so did termination and expansion.

Scott Trundle, executive vp of Jefferson-Pilot Publications and president and publisher of Clearwater (Fla.) Newspapers, said the division folded the *Duke* (Okla.) *Times* in 1981. "It was a small operation and simply was not making money," he said.

In August of last year, the company started a set of shoppers in Texas City, Tex., and in nearby Galveston. Across the southern part of the state, J-P Publications' second largest daily in Texas, the *Laredo Times*, went from an afternoon paper to publishing all day.

Mr. Trundle said the newspaper was at one time the only daily in the market. Several years ago a morning paper was started, which cut into the *Times* market share. Since going to an all-day publication, *Times* has grabbed 65% of the market share, Mr. Trundle said.

In Florida, another of the three J-P Publications newspaper markets, the division acquired the assets of the weekly *Palmetto Press* and two accompanying shoppers for an undisclosed sum.

The acquisition, which was completed last April, gives Jefferson-Pilot Pubiications a strong presence in the Tampa-St. Petersburg market, where Mr. Trundle said the division's daily *Clearwater Sun* competes head to head with the St. Petersburg papers. Also in the area are the Brandon and Plant City groups of weekly papers owned by the division.

The division continued its program to re-equip its newspapers operations with a new front-end system for news writing, editing and advertising production. Also, he said, staff reduction through attrition has helped the division improve its profit margin.

"I think we are positioned as we should be now. We continue to rely on the Beaumont, Tex., newspapers for leadership. Because of the competitive market in Clearwater, we are looking for ways to improve our advertising linage, and the acquisitions make us a strong contender in that market," Mr. Trundle said.

While the economies where some of its Texas properties are located are sluggish, Mr. Trundle said he was "optimistic at the recovery over the long-term."

MEDIA PROPERTIES

Newspapers (dailies)

FLORIDA: *Clearwater Sun.* OKLAHOMA: *Altus Times.* TEXAS: *Beaumont Enterprise, Beaumont Journal, Laredo Times, Texas City Daily Sun.*

Newspapers (nondailies)

FLORIDA: *Brandon News, Brandon News Weekender, Palmetto Press, Plant City Courier.* OKLAHOMA: *Blair Enterprise, Hollis News, Jackson County News* (Duke). TEXAS: *Granite Enterprise* (Granite City), *Hardin County News* (Lumberton); *Jasper News Boy.*

Broadcasting

TELEVISION: WBTV-TV, Charlotte, N.C.; WWBT-TV, Richmond, Va.

RADIO: KIMN (am) and KYGO (fm), Denver; WGBS (am) and WLYF (fm), Miami; WQXI (am), Atlanta; WQXI (fm), Smyrna, Ga.; WBT (am) and WBCY (fm), Charlotte, N.C.; WBIG (am), Greensboro, N.C.; WWIL (am) and WHSL (fm), Wilmington, N.C.

OTHER OPERATIONS

Insurance.

Journal Co.

The Journal Co., Milwaukee, is the nation's 54th largest media company, with media property revenues of $152.5 million in 1981, or 53% of total revenues of $290 million. Net income was $21.2 million, rising 24% from 1980's net earnings of $17.1 million.

Although the privately held company would not reveal dollar figures by division, it said that 1981's improved performanace was due to increases in both advertising and circulation revenues, with greatest increases coming from newspaper properties.

The company acknowledged, however, that the additional revenues came from price increases. Advertising unit sales were "definitely off," a spokesman said. Journal Co. said the price hikes were forced by increased newsprint costs.

While the morning *Milwaukee Sentinel* scored a slight gain in circulation for the six months ended March 31, to a daily average of 176,680 from 173,264 in the year-earlier period, the evening *Milwaukee Journal's* circulation in the same period fell 3% to an average of 308,764 from 318,203, and Sunday *Journal* circulation fell to 518,858 from 519,365.

Despite the loss in circulation, the company hasn't announced any plans to change either the *Journal* or the *Sentinel.*

Meanwhile, said the Journal Co. spokesman, broadcast properties (two television and two radio stations), are doing "reasonably well." An especially bright performer is the Journal's big out-of-state venture, KNTV in Las Vegas. An ABC affiliate, KNTV ranked last in that three-station market when bought by the Journal in 1979. In 1981, it had attained second place, with more growth expected.

As of May 10 this year, 22 of Milwaukee's western suburbs can view the city's first electronic newspaper—thanks to the Journal. NEWSLINE is a 24-hour, all-text news service offered by Journal subsidiary Teltron Inc.'s Electronic Information Services division. NEWSLINE is carried on Channel 5 of RVS Cablevision systems; the Journal also plans to offer a 24-hour classified advertising channel via RVS come fall. Teltron Inc. was formed last year to manage the Journal Co.'s cable ventures and develop new opportunities.

In print, the company also owns four weeklies published by Trumbull Newspapers in Connecticut and in January, 1981, it acquired Add Inc., a small publishing company in Waupaca, Wis., that puts out six shoppers in Wisconsin, two in Montana, and *Choice* magazine, a controlled-circulation publication in Fort Collins, Colo., aimed at a more affluent reader.

Total circulation for all Add Inc. publications last year was 196,000.

MEDIA PROPERTIES

Newspapers (dailies)

WISCONSIN: *Milwaukee Journal, Milwaukee Sentinel.*

Newspapers (nondailies)

CONNECTICUT: *Easton Courier, Huntington Herald, Monroe Courier, Trumbull Times.*

Broadcasting

TELEVISION: KNTV, Las Vegas, Nev.; WTMJ-TV, Milwaukee.

RADIO: WTMJ (am), WKTI (fm), Milwaukee.

Cable/video

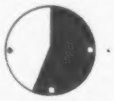
Teletron Cable TV, serving Stevens Point, Wausau and Wisconsin Rapids.

OTHER OPERATIONS

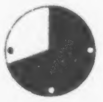
MJE Corp., Midwestern Relay Co., Perry Printing, Waterloo, Wis.

TV gazing

U.S. households owning TVs	98%
U.S. households owning color TVs	86%
Homes with 10 channels or more	53%
Household TV viewing per day	6 hours 44 minutes



Pay cable household viewing per day	8 hours 34 minutes



Most popular viewing day	Sunday
Most popular viewing time	8PM-10PM
Most popular program category	Comedy
Top syndicated program	M*A*S*H
Top network program	60 Minutes
TV's most frequent viewer	adult female 55
TV's least frequent viewer	teen female 12-18

Knapp Communications Corp.

Knapp Communications Corp., Los Angeles, is the country's 92nd largest media company with 1981 revenues from media operations of $64.5 million, all from consumer magazines, which provided 87% of Knapp's total revenues of $74.5 million.

The privately owned company expects total revenues of $103 million for the 1982 fiscal year ending next Jan. 31. In 1980, Knapp recorded media revenues of $44.9 million out of total revenues of $51.6 million. The 1980 media revenues were adjusted from estimates provided AA by Knapp prior to the company's closing of its books for the year.

Knapp has carefully positioned itself as a publisher that knows how to reach the upscale market. All of the company's properties, including *Architectural Digest*, *Bon Appetit*, *Geo* and its book publishing operations, as well as planned new ventures, are aimed at the well-heeled consumer.

That strategy is evident most recently in the launching of Knapp's version of *Geo* magazine, which it acquired for $5 million from German publisher Gruner & Jahr. The first *Geo* bearing the signature of Knapp and editor-in-chief Paige Rense appeared in April. The natural history, travel and photojournalism magazine has undergone a total redesign visually and a refocusing of editorial content to target it more accurately at affluent readers. *Geo* has a rate base of 200,000, and a subscription costs about $30.

Geo now is being promoted to advertisers in a package with *Bon Appetit* and *Architectural Digest*, two other Knapp properties with a combined circulation of about 2 million. This spring the company initiated both a direct mail circulation campaign and a trade advertising campaign for the new *Geo*.

In the works now at Knapp are two new publications aimed at the same affluent reader. *Collecting*, which was tested by direct mail earlier this year, is expected to make its debut next year.

Another project under discussion, though currently on the back burner, is a travel magazine with the tentative name entitled *Travel*. Knapp has entered the licensing business this year. In an arrangement with Oakland, Cal.-based Safeway Stores, the company has licensed the *Bon Appetit* name to a Safeway store in fashionable Tiburon, Cal. (Marin County).

In a test program, this store, which opened in February, will try to sell affluent Marin County consumers domestic and international specialty foods, wines and other products including tableware, cookware, aprons and books under the *Bon Appetit* label.

On the international front, Knapp will soon announce a French edition of *Architectural Digest* and is looking at South America and Japan for other editions to add to the Italian version that started last year.

The company also is eyeing electronic publishing, and has commissioned Communications Technology Management, McLean, Va., to explore cable tv versions of *Architectural Digest*, *Bon Appetit* and *Geo*.

Late last year Knapp was general partner in a partnership that acquired the 500,000-circulation *Home* magazine from International Thomson.

The publication has been integrated into the Knapp stable of magazines in that its publisher, Thomas Wolf, reports to Jack Decker, group publisher for Knapp. Editors, however, do not report to Knapp's editorial management, but at this time continue to function autonomously. The editorial focus, however, has been redirected under Knapp mandate, from a service orientation to more emphasis on redecorating and remodeling.

Executive changes this year have included the naming of T. Swift Lockard, publisher of *Geo* during the relaunch, vp-assistant to chairman Cleon (Bud) Knapp, and Harry Myers, formerly publisher of *Metropolitan Home*, publisher of *Geo*.

Combined 1981 advertising revenues of the Knapp magazines (excluding *Home*), were $26.5 million, up 39% from the previous year.

MEDIA PROPERTIES

Magazines

Architectural Digest, *AD* (Milan), *Bon Appetit*, *Geo*, *Home*.

OTHER OPERATIONS

Knapp Press, Rosebud Books, Wilshire Marketing.

Knight-Ridder Newspapers

Knight-Ridder Newspapers, Miami, is the country's eighth largest media company, with 1981 revenues of $1.2 billion, 73% of which was derived from its newspaper properties.

Revenues from advertising and circulation in the newspaper sector were up over 11% to $1.1 billion. Total revenues were $1.24 billion.

The nonnewspaper revenue of this virtually pure media company came from its tv properties and financial newswires. KRN's Commodity News Services, in fact, turned out to be the company's fastest growing subsidiary, posting both record revenues and profits. Subscribers to CNS' various commodity and financial wire services topped 7,600 by year's end. KRN's 1981 net income exceeded $100 million, compared with net income of $93 million in 1980.

As the company sees it, 1981 was marked by a series of significant developments including: A strong move into the cable tv arena; the acquisition of a fourth vhf tv station; the decision to move its Viewtron experiment out of test into a full scale commercial operation, and gains in some of its most important newspaper markets, particularly Philadelphia and Detroit. In Miami, the *Herald* also produced another banner year.

John Shively Knight, company founder who had a long and distinguished career in journalism, died in 1981.

Knight-Ridder chairman Bernard Ridder Jr. resigned as chairman, but remained chairman of the executive committee. Alvah H. Chapman, 61, succeeded Mr. Ridder as chairman and continued as chief executive. Former senior vp James Batten, 46, became president. Mr. Batten comes from the news side of the business, but he also played a key role in development of KRN's videotex system, Viewtron.

One of the company's biggest 1981 ventures was a joint one with Tele-Communications Inc. Together the two formed TKR Cable Co. whose mandate is to buy, develop and operate cable tv systems.

Currently TKR is acquiring systems in northern New Jersey and the southern part of New York state, specifically in New York's Orange and Rockland counties. In the near term, TKR expects it will have over 100,000 subscribers by the end of 1982, with a five-year plan calling for 500,000 subscribers. Thus far, TKR systems range in channel capacity from 21 to 35, with franchises expiring from 1989 through 1994.

In other cable matters, KRN and Telecable Corp., a subsidiary of Landmark Communications, have formed a partnership with 20 Tampa residents to bid on the cable franchise in that city. A formal proposal had been submitted with the decision from town fathers expected shortly. In Long Beach, Cal., KRN has entered into a joint venture with Times Mirror Co. to construct a state-of-the-art cable system in the community.

On the broadcast side, KRN's major piece of business was the acquisition of tv station WTAR-TV, Richmond, Va. Subsequently its call letters were changed to WTKR-TV. Other KRN tv stations include WTEN-TV, Albany; WPRI-TV, Providence and WJRT-TV, Flint, Mich. Together these four stations generated $39 million in 1981 revenues, while operating profits soared almost 30%. In 1982, the company projects about a 12% gain in broadcast revenue.

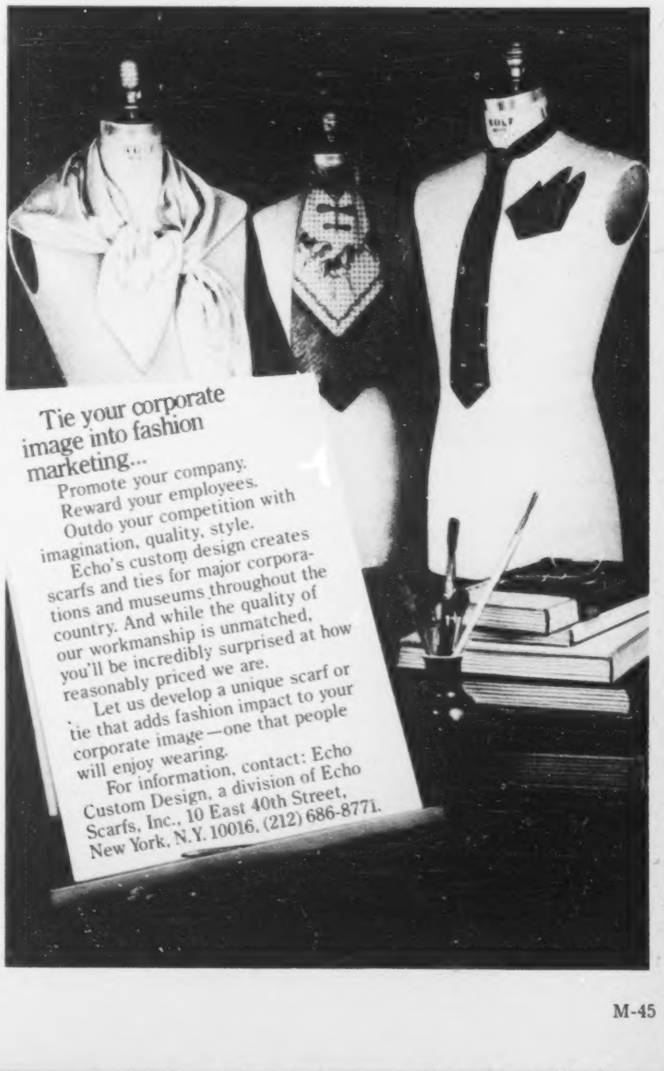
In 1981, KRN also took significant steps forward to establish its Viewtron videotex system as a national business.

From a local test begun in Coral Gables, Fla., in 1980, the system has moved ahead to the point that KRN is ready to introduce it as a full-fledged business operation in 1983. In cooperation with AT&T, KRN will bring Viewtron to 5,000 south Florida homes, and then via arrangements with Affiliated Publications, owner of the *Boston Globe*, and Capital Cities Communications, publisher of the *Kansas City Star/Times* and *Fort Worth Star-Telegram*, introduce Viewtron to those areas as well. For the 1983 market introduction, Viewtron's data base will be expanded from 18,000 pages of information to 75,000.

As KRN views it, advertisers, particularly banks and retailers, suggest they would strongly support the new videotex system, with its interactive nature lending itself to two-way banking and shopping. Moreover, KRN's research shows that those homes that participated in the test used the system from 30 to 60 times a day.

On the newspaper side, KRN made significant headway despite a faltering national economy. One reason was its successful REV UP 81 program, a concentrated program aimed at producing new advertising revenue through special selling opportunities. In 1981 it generated $16 million in additional ad revenues.

Another aid to the company, strong gains in circulation and advertising in Philadelphia,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came at the expense, however, of the folding of another newspaper, this time the *Philadelphia Bulletin*. As owner of the *Philadelphia Inquirer* and the *Daily News*, KRN papers picked up the circulation and advertising that formerly went to its competitor. Meanwhile, in Detroit, the *Free Press* added an additional 14,000 in circulation for a total average of 619,000. Although it lost money in 1981, it is expected to lose considerably less in 1982.

The year 1981 also saw a continued expansion of KRN's supplement, "Business Monday." After a launch by the *Miami Herald* in late 1980, the Monday business news section has been introduced in a number of newspapers, the latest being the *Charlotte Observer* in early 1982.

MEDIA PROPERTIES

Newspapers (dailies)

CALIFORNIA: *Long Beach Independent Press Telegram, Pasadena Star-News, San Jose Mercury, San Jose News.* COLORADO: *Boulder Daily Camera.* FLORIDA: *Boca Raton News, Bradenton Herald, Miami Herald, Tallahassee Democrat.* GEORGIA: *Columbus Enquirer, Columbus Ledger, Macon News, Macon Telegraph.* INDIANA: *Fort Wayne News Sentinel, Gary Post Tribune.* KANSAS: *Wichita Eagle.* KENTUCKY: *Lexington Herald, Lexington Leader.* MICHIGAN: *Detroit Free Press.* MINNESOTA: *Duluth Herald, Duluth News Tribune, St. Paul Dispatch, St. Paul Pioneer Press.* NEW YORK: *Journal of Commerce.* NORTH CAROLINA: *Charlotte Observer, Charlotte News.* NORTH DAKOTA: *Grand Forks Herald.* OHIO: *Akron Beacon Journal.* PENNSYLVANIA: *Philadelphia Daily News, Philadelphia Inquirer, State College Centre Daily Times.* SOUTH DAKOTA: *Aberdeen News American.* WASHINGTON: *Seattle Times* (49.5% owned), *Walla Walla Union Bulletin.*

Newspapers (nondailies)

CALIFORNIA: *Anaheim Independent, Arcadia Tribune, Buena Park News, Huntington Beach Independent, La Mirada Lamplighter, Monrovia News Post, Orange County News, Temple City Times.* FLORIDA: *Florida Keys Keynoter.* GEORGIA: *Milledgeville Union-Recorder.*

Broadcasting

TELEVISION: WJRT-TV, Flint, Mich.; WPRI-TV, Providence, R.I.; WTEN-TV, Albany, N.Y.; WTKR-TV, Norfolk, Va.

Cable/video

Tampa Cable Associates, VIEWTRON, TKR Cable Co.

News service

Commodity News Service.

LIN Broadcasting Corp.

LIN Broadcasting Corp., New York, is the country's 91st largest media company, with revenues of $66.2 million from media operations in 1981, or 93.2% of total revenues of $71 million.

Broadcast contributed net revenues of about $64 million, 75.1% of that from television and 24.9% from radio; the newly acquired GuestInformant brought in another $2.2 million in the short time LIN had it in 1981. LIN's other business—radio common carrier (paging systems)—contributed the remaining revenues.

About 80% of LIN's operating income before depreciation and corporate expense is from television, 13% from radio and 7% from radio common carrier and specialty publishing. Approximately 77% of LIN's earnings are derived in Texas, where it operates the NBC affiliates in Dallas/Fort Worth and Austin, am/fm stations and a radio common carrier company in Houston.

The company has ambitious plans for entering the cellular radiotelephone business, recently opened up for licensing by the Federal Communications Commission.

A new technology, cellular radiotelephone promises for the first time to provide adequate spectrum for mobile and portable telephones. According to Morris Berkowitz, LIN vp-secretary-treasurer, the company will file for such permits to cover New York, Los Angeles, Dallas/Fort Worth, Houston and Philadelphia.

In addition, LIN has filed a low-power tv application for the Dallas/Fort Worth market. The company regularly looks at available cable systems but as yet has not found a suitable entry into that business, Mr. Berkowitz said.

Expansion plans also call for the acquisition of specialty publishing properties. The company entered this business last October with the $8 million purchase of GuestInformant, a hard cover magazine that is placed in hotels in major cities. A quarter of its yearend revenues of $9.05 million was included in 1981 media revenues.

Television revenues and operating profits were up in 1981; revenues were ahead at all stations, although only the Texas stations had gains in operating profits. Of its four tv stations, three are NBC affiliates and one, WAND in the Decatur/Champaign/Springfield/Danville, Ill., area, is an ABC affiliate.

Radio revenues and operating profits were down substantially during 1981, but LIN expects format changes to country music in several markets to improve the stations' performances this year. LIN purchased Milwaukee radio stations WEMP (am) and WMXY (fm) for about $3.3 million in 1981. Its radio properties are all am/fm combos in top markets.

MEDIA PROPERTIES

Broadcasting

TELEVISION: WAND, Decatur/Champaign/Springfield/Danville, Ill.; KTVV, Austin, and KXAS, Dallas/Fort Worth, Tex.; WAVY, Portsmouth/Norfolk/Newport News/Hampton, Va.

RADIO: WIL (am, fm), St. Louis; WBBF (am) and WMJQ (fm), Rochester, N.Y.; WFIL (am) and WUSL (fm), Philadelphia; KILT (am, fm), Houston; WEMP (am) and WMYX (fm), Milwaukee.

Landmark Communications

Landmark Communications, Norfolk, Va., is the country's 39th largest media company, with revenues of $200 million in 1981, all from media operations. The company had $182 million in revenues in 1980. It projects revenues of $225 million in 1982.

According to the privately held company, about 65% of its revenues are derived from newspapers, 10% from tv and radio and 25% from cable tv.

These percentage breakdowns did not change from 1981, even though cable tv revenues are increasing, because Landmark's community newspapers are also growing at a healthy clip, the company said.

Landmark executives consider cable an attractive new business opportunity for several reasons, including its supposed resistance to recession as evidenced by the growth in subscribers to its TeleCable systems.

Total subscribers now stand at 315,000 in 15 states following the acquisition this year of the Broward County, Fla., cable system, called TeleCable of Broward County.

This system for Margate, Coconut Creek, Parkland and other parts of Broward County now has 8,000 subscribers, according to company new-ventures analyst Bahnson Stanley.

He said the number of subscribers is expected to triple in coming months.

TeleCable's expansion efforts in the last six months have boosted Landmark from the 15th-largest operator to the 14th. All TeleCable systems will be equipped to carry at least 21 channels by the end of 1982 and each will offer at least three pay networks.

Last year, Landmark applied for, but did not win, a cable franchise in Scottsdale, Ariz. It expects a decision on its current bid for a franchise in Tampa, Fla., around the end of the year. The Tampa franchise would be a joint venture with Knight-Ridder Broadcasting.

Last year Landmark sold WTAR-TV, Norfolk, Va., CBS affiliate, to Knight-Ridder for $48.3 million, which will be used for additional cable system acquisitions.

Another cable development is Landmark's current construction of a system in Arlington, Tex.

On May 2, the company also got its much-heralded Weather Channel off the ground. Hugh M. Eaton Jr., Landmark's corporate vp-personnel, was named vp-general manager and treasurer of the Weather Channel.

One minute out of every five is devoted to local weather reports and forecasts with remaining minutes reserved for local commercials, commercials originating from the Weather Channel network, plus regional as well as national reports and forecasts.

The Weather Channel now has 4.2 million subscribers and a staff of 21 meteorologists, with "Good Morning America" meteorologist John Coleman providing 24-hour weather forecasts locally and nationally. In all, about 120 staffers have been added to work for the Weather Channel, which is part of Landmark's Broadcasting & Video Enterprises division.

It represents $20 million in start-up costs for the division and is expected to break even by 1985.

Landmark now is readying proposals for a number of other programing ideas, Mr. Stanley said.

In newspapers, Mr. Stanley noted that Landmark's greatest volume increases have come through community papers. The *Westminster Carroll County Times*, Maryland, was converted from a bi-weekly to a daily in the last year.

However, some of the company's metro papers have experienced difficulties in the last year, and one executive noted that the recession "has affected both newspaper and broadcasting revenues."

MEDIA PROPERTIES

Newspapers (dailies)

CALIFORNIA: *El Cajon Daily Californian.* INDIANA: *Mount Vernon Democrat.* KENTUCKY: *Elizabethtown News Enterprise.* MARYLAND: Westminster Carroll County Times. NEW MEXICO: *Los Alamos Monitor.* NORTH CAROLINA: *Greensboro Daily News, Greensboro Record.* VIRGINIA: *Norfolk Virginian-Pilot, Norfolk Ledger-Star, Roanoke Times & World News.*

Newspapers (nondailies)

FLORIDA: *Beverly Hills Inquirer, Citrus County Chronicle* (Inverness), *Crystal River Sentinel, Sumter County Times* (Bushnell). ILLINOIS: *Vandalia Leader Union.* INDIANA: Rockport Journal & Democrat, Tell City News. IOWA: *Glenwood Opinion-Tribune, Red Oak Express.* KENTUCKY: *Anderson News* (Lawrenceburg), *Carrollton News-Democrat, Casey County News* (Liberty), *Central Kentucky News-Journal* (Campbellsville) *Cynthia Democrat, Lebanon Enterprise, Oldham Era* (La Grange), *Shelbyville Sentinel-News, Springfield Sun, Trimble Banner Democrat* (Bedford). MARYLAND: *Reistertown Community News, South Carroll Herald* (Sykesville). MISSISSIPPI: *New Albany Gazette.* VIRGINIA: *Galaz Gazette.* Also, 16 free distribution publications and Capital-Gazette Newspapers, Annapolis, Md. (49.9% owned).

Broadcasting

TELEVISION: KLAS-TV, Las Vegas, Nev.; KNTV-TV, San Jose, Cal.

RADIO: WTAR (am) and WLTY (fm), Norfolk, Va.

Cable/video

TeleCable systems in ALABAMA: Auburn, Decatur, Selma. FLORIDA: Broward County. GEORGIA: Columbus. ILLINOIS: Bloomington. INDIANA: Kokomo. KANSAS: Overland Park. KENTUCKY: Lexington, Radcliffe. MISSOURI: Springfield. NORTH CAROLINA: Roanoke Rapids. SOUTH CAROLINA: Greenville, Spartanburg. TENNESSEE: Cleveland. TEXAS: Arlington. VIRGINIA: Wytheville. WEST VIRGINIA: Beckley, Princeton. WISCONSIN: Racine.

Lee Enterprises

Lee Enterprises, Davenport, Ia., is the country's 56th largest media company with media property revenues in 1981 of $149.8 million, or 98% of the company's total revenues of $153.1 million. Of the total media revenues, newspapers accounted for $110.7 million, or 72%, and broadcasting $39.1 million, or 26%.

Net income for the company in 1981 was $19.1 million, 26% more than in 1980. Total revenues were up 12% from 1980.

Lee Enterprises traces its history to the early 1890s, when A.W. Lee left New England to join his uncle's newspaper in Muscatine, Ia. From that single publication, Lee Enterprises media properties now include 18 papers dotting the Midwest and West, four tv stations—in Illinois, West Virginia, Oregon and Hawaii—and four am and fm radio stations in Illinois and Nebraska.

Lee also operates a two-channel cable tv service in Mason City, Ia.

In 1980, Lee Enterprises purchased the Lindsay-Schaub Newspapers for $64 million, borrowing $47 million to do it. Last year it sat back to digest that acquisition, the largest in its history, and enjoyed what was, according to Lloyd G. Schermer, Lee Enterprises president, one of the major accomplishments of the year—a balanced bank book.

Although no new properties were added in 1981, the search for new revenues continued just the same, just closer to home.

"The emphasis is on how to build revenue sources in Davenport," said Mr. Schermer. "We must change the attitude and skills within the company, develop new publications and new services."

Results of the entrepreneurial brainstorming in Davenport and other cities hosting company properties are varied, reflecting the markets served.

There is, for example, *TV Week*, one of three special interest magazines published by the *Muscatine* (Ia.) *Journal*. *TV Week*, which caters to cable tv subscribers, is sold by yearly subscription and can be bought on local newsstands.

Another new offering—distributed to all rural households in the seven counties of northern Iowa—is *RuraLife*, an offspring of the *Globe-Gazette* in Mason City, Ia. Last year, it doubled in size.

According to James Burgess, executive vp of the company, "Lee newspapers did a good job in a very tough year." He also mentioned that taking advantage of technological innovations was top priority.

Lee's joint ownership of NAPP Systems represents that philosophy. NAPP, owned jointly by Lee and Nippon Paint Co., Osaka, Japan, claims to be the world's largest producer of photosensitive polymer printing plates for newspapers. In 1981, revenues for this graphic arts products operation was $2.8 million, up from $1.6 the year before.

Recent developments at NAPP include improved reproductive quality of plates, a new plate processor to make printing more cost-efficient and the completion of a $3 million plant to produce film and paper that can be processed without silver. After a $9 million expansion in late 1980, and the $3 million one in early 1981, NAPP was shaky economically early last year. But by yearend, operations had smoothed out, and by October, all debts had been paid off.

Technological improvements in the media properties include a computer system costing $6 million to $7 million so far, according to president Mr. Schermer. Started in 1973, the system is now on-line in seven cities, with two more to follow.

Mr. Schermer said the system will allow such sophisticated targeting of subscribers that subscribers weighing "over 200 lbs. in our market" could be segmented out, if that is what the advertiser needs. The next step, he said, will be the inclusion of nonsubscriber households so that advertisers may select either subscribers or nonsubscribers for inserts or direct-mail advertising, zoned according to route number, Zip code, or, eventually, census tract.

Taking some cues from prevailing squalls blowing through the industry, Lee Enterprises also has switched several of its papers to morning-only publication.

Another move, made to fight potential competition from two neighboring newspapers, has been to call on the services of a newspaper consultant to cure what supposedly ails the *Quad-City Times*, Lee's flagship paper in Davenport.

"You're good and you win all sorts of journalism awards, but what good are awards if people find you boring?" asked the consultant, Stuart H. Schwartz, assistant professor of journalism at Georgia State University who reportedly has suggested that the paper become a "sanitized version" of the *New York Post.*

The suggested changes are not viewed enthusiastically by Mr. Schermer, Lee Enterprises president. "I don't like what they are telling them to do," he said, "but they are running it, they do their own marketing. My taste might not be what this blue-collar market wants or needs."

Lee's future moves depend, in large part, on how successful the current administration is with its economic program. "We would be willing to buy [media properties] if it made sense to buy," he said, but he added that he is apprehensive about current inflated prices.

Lee has not yet acquired any cable tv properties, and Mr. Schermer admitted being cautious about cable. But "there is always that option," he said.

MEDIA PROPERTIES
Newspapers

IOWA: *Mason City Globe-Gazette, Muscatine Journal, Ottumwa Courier, Quad-City Times* (Davenport). ILLINOIS: *Decatur Herald, Kewanee Star Courier, Southern Illinoisan Review* (Carbondale). MINNESOTA: *Winona Daily News.* MONTANA: *Billings Gazette, Butte Montana Standard, Helena Independent Record, Missoula Missoulian.* NEBRASKA: *Lincoln Star.* NORTH DAKOTA: *Bismark Tribune.* OREGON: *Corvallis Gazette-Times.* WISCONSIN: *LaCrosse Tribune, Racine Journal, Wisconsin State Journal* (Madison).

Broadcasting

TELEVISION: KGMB-TV, Honolulu; KHQA-TV, Hannibal, Mo.; KOIN-TV, Portland, Ore.; WSAZ-TV, Huntington, W.Va. RADIO: WTAD (am) and WQCY (fm), Quincy, Ill.; KFAB (am) and KGOR (fm), Omaha, Neb. (partially owned by Journal-Star Printing Co.)

McCall Publishing Co.

McCall Publishing Co., New York, is the nation's 75th largest media company, with total net revenues estimated by ADVERTISING AGE of $97.2 million in 1981, all from *McCall's*, its special issues and *Working Mother. McCall's* brought in about 90% of total net revenues.

Revenues were restated by AA for 1981 to $93.2 million to reflect a net figure rather than gross revenues as supplied by the company for 1980. McCall Publishing reports gross revenues of $130 million for 1981.

A couple of decades ago, when Mom was more concerned with leaning over the back yard fence than with climbing the corporate ladder, American mothers were an easier target for advertisers. Daytime television, with its soap operas and game shows, was the perfect place for companies pitching their wares. Now, with the majority of young mothers in the working force, and with no end to that trend in sight, it's been harder for advertisers to get to this pivotal consumer.

Working Mother, with its format of food, fashion and "how-to" stories, was designed to meet the needs of the elusive American Mom—during her free time, which in these days, is sometimes both limited and unpredictable.

"The working mother is hard to reach and hard to find," noted Ray Eyes, president-publisher of McCall. "She's obviously gone all day."

Launched in 1979, *Working Mother* has already attracted a solid base of advertisers. About 79 of the 100 top advertisers in the country are showing up in the magazine, which has now gone monthly and is up to a circulation base of 400,000.

Working Mother is now breaking even, and will start turning a profit next year, the company said. McCall's believes that is a notable accomplishment in an economy that has not been kind to too many younger publications.

The soft economic climate has been harsher on *Working Mother's* older sister, *McCall's*, and on the entire category of women's service magazines. The housing slowdown has provoked a decline in the number of housing-related ads, for products like appliances, for instance. Mr. Eyes said, however, that the number of ad pages in *McCall's* this year will at least pull even with last year's figures. The package goods category, which continues to sell well, will help.

"Business is not bad, and not sensational," Mr. Eyes said.

Recently, *McCall's* raised the cost of its issues to $1.50. No advertising rate raises are currently in the works. *McCall's* circulation rate base remains at 6.2 million.

McCall Publishing doesn't plan any new projects for the balance of this year, Mr. Eyes said.

MEDIA PROPERTIES
Magazines
McCall's, Working Mother.

McClatchy Newspapers

McClatchy Newspapers, Sacramento, Cal., is the country's 52nd largest media company, with 1981 revenues estimated by ADVERTISING AGE at $160 million, all from media operations. Last year's revenues were up 17% from estimated 1980 revenues of $136.8 million.

The family-owned and operated business is active in newspaper, radio, tv and cable.

McClatchy recently announced the sale of radio stations KOH (am) and KNEV (fm) in Reno, Nev., and KBEE-AM and FM in Modesto, Cal. Once the sale is approved by the Federal Communications Commission, McClatchy plans to concentrate on upgrading its remaining radio properties in Sacramento and Fresno, a company exec said.

Last January, McClatchy acquired WCPT-TV, an independent station in Crossville, Tenn., for $600,000. Official transfer of that station also awaits approval by the Federal Communications Commission. A cross-filing for ownership by a competing station in the market for ownership is adding to the delay. No new cable holdings were added to the McClatchy fold in the past year, but the company is entrenching itself in the cable field. Its four cable holdings continue to add subscribers, and communities are being wired for future subscription sales. Norcal Cablevision, McClatchy's only mature cable system, now serves 37,800 subscribers in three communities north of Sacramento.

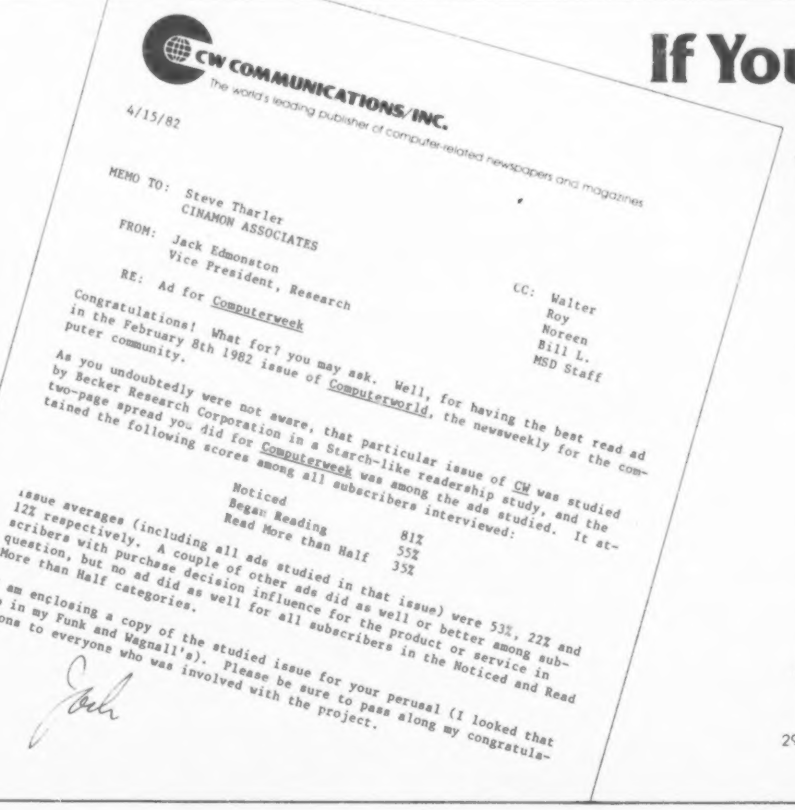
Fresno Cable TV Ltd., though a young system, reaches 28,600 homes. Tel-Cab Communications Cable, which has been operating for more than a year in Reno, lists 1,300 subscribers. The fourth system, Sequoia Cablevision, was just activated in May, and is actively selling subscriptions to the residents of Visalia-Tulare.

The company has created a new subsidiary and a new position to consolidate McClatchy's growing cable efforts and show what the company has called "a commitment to cable." The new subsidiary is Pacific Cablevision, headed by Marvin Dilbeck, recently appointed cable director and president, Pacific Cablevision. Mr. Dilbeck had worked for McClatchy's Fresno Cable TV Ltd.

In electronic publishing, on the other hand, McClatchy has stepped back a bit. Last year, McClatchy and Time Inc.'s cable subsidiary, American Television & Communications Corp. (ATC) jointly ventured into videotex experiments. The first step was to secure the cable franchise in Sacramento. But Time Inc. withdrew from the bidding, forcing McClatchy to reevaluate its own position. McClatchy also ultimately withdrew.

The company still plans to be active in the young field in the same way in which it acquired cable rights in Fresno—by buying existing franchises when opportunities arise. But for the present, "We want to see where electronic publishing's headed," Erwin Potts, McClatchy's corporate vice-president, said. "There are a lot of false starts in the business over-all, so no one really has a clear picture of it yet."

Newspapers have been, and continue to be, McClatchy's primary emphasis. The *Sacramento Bee* moved into its new $42 million facility last year, which houses, among other



CW COMMUNICATIONS/INC.
The world's leading publisher of computer-related newspapers and magazines

4/15/82

MEMO TO: Steve Tharler
CINAMON ASSOCIATES

FROM: Jack Edmonston
Vice President, Research

RE: Ad for Computerweek

CC: Walter
Roy
Noreen
Bill L.
MSD Staff

Congratulations! What for? you may ask. Well, for having the best read ad in the February 8th 1982 issue of Computerworld, the newsweekly for the computer community.

As you undoubtedly were not aware, that particular issue of CW was studied by Becker Research Corporation in a Starch-like readership study, and the two-page spread you did for Computerweek was among the ads studied. It attained the following scores among all subscribers interviewed:

Noticed 81%
Began Reading 55%
Read More than Half 35%

issue averages (including all ads studied in that issue) were 53%, 22% and 12% respectively. A couple of other ads did as well or better among subscribers with purchase decision influence for the product or service in question, but no ad did as well for all subscribers in the Noticed and Read More than Half categories.

I am enclosing a copy of the studied issue for your perusal (I looked that up in my Funk and Wagnall's). Please be sure to pass along my congratulations to everyone who was involved with the project.

Jack

If You Thought Cinamon Was Only Direct Mail...

CINAMON ASSOCIATES INC.
DIRECT MAIL/MARKETING
DIRECT RESPONSE ADVERTISING
29 HARVARD STREET, BROOKLINE, MA 02146
(617) 739-2400

things, 27 new Goss metro offset presses, and a new mailroom.

The *Anchorage* (Alaska) *Daily News* continues to grow, with circulation now numbering in excess of 40,000, according to Mr. Potts. The paper is still operating in the red, but circulation for the first time has passed that of the main competitor, the *Anchorage Times*, a long-time Anchorage institution.

For two of McClatchy's smaller papers, however, the news is not as good. Although the *Gilroy Dispatch* began publishing five days a week last year (up from three times weekly), the financial results have not been spectacular. According to Mr. Potts, that's because the general recession has affected the market in this southern Santa Clara County community, particularly in real estate.

The *Tri-City Herald*, a daily paper in Richland, Wash., for which McClatchy had held great expectations, has taken a beating as expected growth of the nuclear industry, prominent in the paper's market, has not taken place. The short-term prospects, at least, remain unfavorable. Layoffs are expected to continue while the community slowly orients itself to a secondary industry. The area is increasing its involvement in agribusiness, which may become the community's, as well as the newspaper's, foothold for survival, Mr. Potts said.

MEDIA PROPERTIES

Newspapers(dailies)

ALASKA: *Anchorage Daily News* (80% owned). CALIFORNIA: *Fresno Bee, Modesto Bee, Sacramento Bee, Gilroy Dispatch, Hollister Freelance* (50% owned), *Lincoln News Messenger, Morgan Hill Times.* WASHINGTON: *Tri-City Herald* (Richland).

Newspapers (nondailies)

CALIFORNIA: *Clovis Independent.*

Broadcasting

TELEVISION: WCPT-TV Crossville, Tenn. (subject to FCC approval).

RADIO: KAER (fm) and KFBK (am), Sacramento, Cal.; KMJ (am, fm), Fresno, Calif.

Cable/video

Nor-cal Cablevision (60% owned), Yuma City, Cal.; Sequoia Cablevision, Visalia, Cal.; Fresno Cable TV Limited, Fresno, Cal.; Tel-Cab Communications, Reno, Nev. (80% owned).

OTHER OPERATIONS

San Joaquin Tv Services, (an MDS Co.).

McGraw-Hill

McGraw-Hill, New York, is the country's 13th largest media company, with revenues of $732.4 million from media operations in 1981, or 66% of total revenues of $1.11 billion.

Business magazines, trade magazines and newsletters, including such publications as *Business Week* and "Nuclearfuel," provided 30% of total revenues last year. A variety of information services including "Dodge Reports" for the construction industry, Standard & Poor's debt-rating service and computerized economic data bases provided another 31% of revenues. Broadcasting operations, consisting of four tv stations, contributed 5% to revenues.

Each business segment contributed operating profits somewhat in proportion to revenues: Publications, 30%; information services, 34%; broadcasting, 11%. Total operating profit in 1981 was $204.1 million. Net income totaled $98.1 million.

The company got off to a good start in 1982, extending its string of year-to-year quarterly increases to 28 consecutive quarters. However, according to the company, operating profits for the publications division failed to move ahead in the first quarter, due in part to the company's investment in electronic editing and circulation systems.

Last year, although revenues from McGraw-Hill's flagship publication *Business Week* grew 3% to $133.3 million, the business weekly slipped from fourth to sixth place among leading ad revenue producers. The two publications displacing *Business Week* were Time Inc.'s *Sports Illustrated* and *People.*

Early this month, McGraw-Hill named James R. Pierce publisher of *Business Week* and a vp of subsidiary McGraw-Hill Publications Co. Mr. Pierce had been publisher of McGraw-Hill's *Aviation Week & Space Technology.* He succeeds R. Bernard Alexander, who will be in charge of special projects for the publishing subsidiary until he retires later this year.

The company denied persistent reports of an internal power struggle over the naming of Mr. Alexander's successor. The reports indicated some serious differences within the company about the direction of the magazine. McGraw-Hill had said only weeks before the new publisher was named that Mr. Alexander had no plans to step down as publisher. The official who said that was Daniel A. McMillan III, a McGraw-Hill Publications executive vp who resigned a few days before Mr. Pierce's appointment was announced. Mr. Alexander had been scheduled to retire next March.

In seeking to attain the goal of being the "preeminent supplier of information to business and the professions through both print and electronic media," McGraw-Hill increased capital spending 81% last year to $37.9 million. This figure, the publisher said, does not even provide a full picture of the investment in the future it is making since product enhancement and development of new services can't be capitalized.

Management believes that technology holds tremendous promise not only for delivering information services electronically but also for enhancing traditional printed products through electronic editing and production systems. That effort prompted the company to purchase Edutronics Systems International, London, marketer of multimedia training programs in several fields.

Four years ago, M-H purchased the U.S. and Canadian subsidiary of Edutronics.

M-H also is planning to syndicate a weekly half-hour tv program based on *Business Week* magazine. The project is viewed as a first step in reaching specialized markets through tv for many of the company's publications. A second step could be the production of business news briefs to be inserted in local newscasts.

The publications division also launched several new ventures, "Federal Lands," "Biotechnology Newswatch," *Nikkei Computer, Nikkei Biotechnology* and two new daily wire services, Steelgram and Solventwire. *Medical World News* was sold to Hospital Equities Inc. The editorial content of eight magazines became available electronically through the NEXIS system of Mead Data Central, and by the end of this year, all magazines will be included.

To upgrade its broadcasting operations, M-H installed earth receiving stations at KGTV, San Diego; WRTV, Indianapolis, and KMGH-TV, Denver, enabling them to receive programing directly from satellites.

Among new information systems offerings was Datapro, a directory of microcomputer software for the personal computer market. Also made available to users of personal computers were Standard & Poor's stock reports and stock guide. The Data Resources Inc. subsidiary introduced a forecasters' package, consisting of daily on-line data, commentary and a monthly econometric model.

The big question at the company today is who will succeed Harold McGraw as chairman and chief executive officer when he retires early next year. Although Joseph L. Dionne's appointment as president and chief operating officer last year makes him the likely successor, there has been no official word from the company.

MEDIA PROPERTIES

Magazines

American Machinist, Architectural Record, Aviation Week & Space Technology, Business Week, Business Week International, Byte, Chemical Engineering, Chemical Week, Coal Age, Data Communications, Electrical Construction & Maintenance, Electrical Wholesaling, Electrical World, Electronics, Engineering & Mining Journal, Engineering News-Record, Fleet Owner, Fleet Owner/Small Fleet Edition, Graduating Engineer, Housing, Industry Mart, International Management, Modern Plastics, Modern Plastics International, NC Shopowner, The Physician & Sportsmedicine, Popular Computing, Postgraduate Medicine, Power, Textile Products & Processes, Textile World, 33 Metal Producing.

Magazines (joint-venture)

International Industrial Report, Medicina De Postgrado, Nikkei Architecture, Nikkei Business, Nikkei-Computer, Nikkei Electronics, Nikkei Mechanical, Nikkei Medical.

Newsletters

"Biotechnology Newswatch," "Coal Statistics International," "Coal Week," "Coal Week International," "Electrical Marketing," "Electrical Week," "E&MJ Mining Activity Digest," "Federal Lands," "Green Markets," "Inside Energy," "Inside FERC," "Inside NRC," "Inside USDA," "International Construction Week," "Keystone News-Bulletin," "Long Term Care," "Metals Week," "Metalworking Sales Leads/MSL," "Mine Regulation & Productivity Report," "Nuclearfuel," "Nucleonics Week," "Platt's Energy Litigation Report," "Platt's Oilgram News," "Platt's Oilgram Price Report," "Platt's Oil Marketing Bulletin," "Platt's Oil Policy & Regulation Report," "PSRO Letter," "Securities Week," "Synfuels," "Textile Week," "Washington Health Record," "Washington Report on Health Legislation," "Washington Report on Medicine & Health."

Broadcasting

TELEVISION: KERO-TV, Bakersfield and KGRV-TV, San-Diego, Cal.; KMGH-TV, Denver; WRTV, Indianapolis.

Newswires and services

Chemical Week Newswire Service, Fuel Price Analysis, Metals Week Insider Report, Nikkei Datapro, Platt's L.P. Gaswire, Platt's Bunkerwire, Platt's Oilgram Marketscan, Platt's Oilgram News/Wire, Platt's Petrochemical Scan, Polymerscan, Solvent Wire, Steelgram, World News (international service only).

Information services

Dodge Reports, Sweet's Catalogs, Scan, Datapro Reports, Construction Analysis System, Product Information Network, Data Resources.

Financial services

Standard & Poor's Corp. Records, Blue List, Trendline, Outlook, Credit Week.

OTHER OPERATIONS

McGraw-Hill Book Co., International Book Co.

Media General

Media General, Richmond, Va., is the nation's 41st largest media company, with revenues of $197.1 million from media operations in 1981, up 18% from the previous year's $167.4 million.

Media revenues accounted for 53.8% of the publicly held company's total revenues of $366.5 million, which were up from the previous year's $332 million. Total earnings were $31.6 million for 1981, up from 1980's $28.3 million.

Alan S. Donnahoe, Media General chief executive officer, told shareholders at the annual meeting last month that the company "considers the chances very good" for another record year in earnings and revenues in 1982.

Last year, newspapers contributed $173.8 million in revenues, or 88% of total media revenues, and broadcast operations contributed $23.4 million in revenues, or 12%.

Acquisition remains the key word at Media General with attention now concentrated on broadcasting.

Earlier this month the company purchased William B. Tanner Co., Memphis, which buys and sells radio and tv commercial time and also places commercials. Tanner is said to be the country's largest barter/media placement company, with 450 employes in six offices and annual revenues of about $100 million.

In 1980 Media General purchased Highlander Publications and Herald Press Newspaper Group, both Los Angeles area newspaper chains, consolidating them into one group—Highlander Publications. It also purchased Southern California-based Golden West Publishing later that year. The two chains of weeklies publish some 30 newspapers.

In 1981 the company agreed to buy Ziff-Davis television station WJKS, Jacksonville, Fla., for $18 million. Completion of the purchase is expected mid-year, Mr. Donnahoe said. The purchase will give the company two tv stations, the other being WFLA-TV, an NBC affiliate in Tampa, Fla. Both were ranked third in their markets in the most recent A.C. Nielsen ratings.

In conjunction with the tv purchase, Media General is selling its two radio stations in Tampa, Fla.—WFLA (am, fm) —to John Blair & Co. for $14 million. Mr. Donnahoe described the pending sale and purchase agreements as a "kind of tradeoff even though it involves two different companies. It is just that we wanted to get into Florida's second-largest television market and the purchase of WJKS gives us that opportunity."

In cable tv, Media General is awaiting word on its application for the franchise in Fairfax County, Va., which would cover some 200,000 households. It currently holds a franchise for three cable tv systems in the Fredericksburg, Va., area.

On the print side, Media General is keeping a careful eye on the Southern California market where its newest properties, Highlander Publishing and Golden West Publishing, are located.

Mr. Donnahoe did not rule out the possibility of some of the weekly properties going semiweekly or daily.

"We're watching it [the Southern California market]. There are no immediate plans for turning any of the papers into semiweekly or daily. But there is always that possibility. A lot depends on population growth in that area," he said.

Primary contributors to Media General's newspaper operations are the *Richmond Times Dispatch*, a morning and Sunday edition paper; the *Richmond News Leader*, an evening paper; the *Tampa Tribune*, a morning and Sunday paper, and the Tampa Times, an evening paper.

Mr. Donnahoe said 80% of the revenues of Media General's newspaper division comes from advertising and 20% from circulation.

Personnel changes in 1981 included the appointment of Mr. Donnahoe vice-chairman and ceo and James S. Evans president, a position formerly held by Mr. Donnahoe. Mr. Evans was formerly executive vice president and chief operating officer of the company.

MEDIA PROPERTIES

Newspapers (dailies)

FLORIDA: *Tampa Tribune*, *Tampa Times*. NORTH CAROLINA: *Winston-Salem Journal*, *Winston-Salem Sentinel*. VIRGINIA: *Richmond News Leader*, *Richmond Times-Dispatch*.

Newspapers (nondailies)

CALIFORNIA: Highlander Publications, publishing 17 weeklies in the Los Angeles area, and Golden West Publishing, including *Capistrano Valley News*, *Flight Jacket* (El Torro and Santa Ana Air Force Base), *Laguna-Miguel Dana Point News*, *Laguna News-Post*, *Leisure World News* (Laguna Hills), *Saddleback Valley News*. Also, a monthly newspaper, published in cooperation with the American Stock Exchange, *Amex Journal* (begun January, 1982).

Magazines

Cligott Publishing: *Consultant*, *Journal of Respiratory Diseases*, *Psychosomatics*. Technical Information Distribution Services: *Electronic Literature Review*, *Electronic Specifications Review*, *Precis*.

Broadcasting

TELEVISION: WFLA-TV, Tampa, and WJKS-TV, Jacksonville, Fla. (acquisition pending).

RADIO: WFLA (am, fm), Jacksonville, Fla. (sale pending).

Cable/video

Cablevision of Fredericksburg Inc. (Virginia), serving surrounding unincorporated areas in Stafford and Spotsylvania counties. One cable tv system in Fairfax Co., Va. (award of franchise pending).

OTHER OPERATIONS

Beacon Press (commercial printing), Garden State Paper Co., Media General Financial Services, Onduline USA (building materials), Technical Information Distribution Service.

Meredith Corp.

Meredith Corp., Des Moines, Ia. is the nation's 23rd largest media company, with revenues of $330.5 million from magazine publishing and broadcasting operations, out of total corporate revenues of $403.4 million for the fiscal year ended June 30, 1981.

Meredith, however, has already topped revenues of 1981 in the first nine months of fiscal 1982. Revenues in this period have risen 13% to $340.6 million from $302.6 million in the year-earlier period. Assuming that media operations contribute the same percentage of total revenues as last year, Meredith's media revenues this year would be about $372 million.

Net earnings for the nine months rose to $21.5 million from $20.5 million. Total profits last year were $25.6 million, with most of the 20% gain over fiscal 1980 coming from broadcasting and book publishing. Magazine earnings were down.

Magazine publishing accounted for about 65% of total revenues and broadcast properties for 17% in fiscal 1981. Book publishing, the largest nonmedia segment, contributed $66.5 million in revenues, or 16% of total revenues. The company also operates financial and real estate services.

Like other media companies, Meredith faced a sluggish economy and difficult operating environment during fiscal 1981 and through the first nine months of fiscal 1982. In addition, the company's exposure in the depressed real estate business via its real estate franchising arm has proven to be a continuing drag on revenues and profits. The company's third quarter report acknowledged the real estate problem and attributed the improved operating profits to the magazine publishing and broadcasting. It said magazine advertising and subscription revenues and broadcasting revenues had increased, despite some softness in ad pages.

Throughout the year, Meredith's operating strategy remained constant, centering its various publishing interests on its mainstay, *Better Homes and Gardens*. The company eschewed new ventures not closely related to its core businesses of publishing and broadcasting. In January, 1981, it started Meredith Video Publishing, a new unit formed to appraise ventures in cable and satellite programming. At press time, Meredith was negotiating the purchase of San Joaquin Communications Corp., owner of KSEE-TV, Fresno, Cal., an NBC affiliate.

Rather than acquire cable systems, Meredith Video has moved into the software end of the burgeoning cable industry. During its first year, the subsidiary co-produced "The Better Homes and Gardens Idea Notebook," a series of half-hour programs on home decorating, improvement and landscaping. The series is shown on the USA Network.

In another new media category, Meredith and VHD Programs are producing "Understanding Your Body: A Woman's Guide from *Better Homes and Gardens*," for use on interactive videodiscs. The program was produced and scheduled to be introduced this June. Its release date is now "uncertain," according to a company spokesman, who said VHD Programs will determine the distribution of the program.

The industry verdict was still out on the company's most significant change in 1981: The conversion of *Apartment Life* to *Metropolitan Home* in April of last year. Meredith said the magazine broke ad page records in nine of the first 12 issues. The magazine's circulation rate base remained at its initial level of 700,000, but publisher Harry Myers said the magazine delivered "significant bonuses" during 1981.

MEDIA PROPERTIES

Newspapers

CALIFORNIA: Community newspapers serving Los Angeles

"Did you say Sweepstakes?"
"Talk to Ventura."

GREENWICH
Parry

From package goods to financial institutions aggressive marketers are finding that Ventura Associates has the unique skills required for innovative prize promotions. If you're tired of "me too" sweepstakes, that simply don't work anymore, you owe it to yourself or your client to call Ventura Associates.

There's no cost for an exploratory discussion. A second opinion may net you some fascinating results. And if you don't know who to call for a first opinion we'll even tell you.

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Magazines

Better Homes and Gardens, Metropolitan Home, Sail, Successful Farming, Better Homes and Gardens Special Interest Publications, *Australian Better Homes and Gardens.*

Broadcasting

TELEVISION: KPHO-TV, Phoenix, Ariz.; WOFL-TV, Orlando, Fla. (owned by Omega Communications, of which Meredith holds a 40% interest). WNEM-TV, Bay City, Mich.; KCMO-TV, Kansas City; WTVH-TV, Syracuse, N.Y.; WPGH-TV, Pittsburgh.

RADIO: WGST (am) and WPCH (fm), Atlanta; KCMO (am) and KCEZ (fm), Kansas City; WOW (am) and KEZO (fm), Omaha.

Cable/video

Meredith Video Publishing Corp.

OTHER OPERATIONS

Better Homes and Gardens Books, Better Homes and Gardens Crafts Club, Better Homes and Gardens Family Book Service, Better Homes and Gardens Real Estate Service, Better Homes and Gardens Insurance Services, Better Homes and Gardens Insurance Agency, Meredith Publishing Services, Meredith Financial Corp., Meredith International Ltd. and Meredith Relocation Corp.

Metromedia Inc.

Metromedia Inc., Secaucus, N.J., is the country's 20th largest media company, with revenues of $390.5 million from media operations in 1981, or 85% of total revenues of $461.8 million. Broadcasting accounted for 59% of total revenues, and outdoor advertising about 26%. Operating income for the media businesses last year was $132.2 million.

For some years, advertising revenues from tv, radio and outdoor divisions have contributed the lion's share of operating income. In fact, last year other Metromedia divisions showed losses. But management still maintains that other fields offer greater potential for the growth-minded company.

Part of that belief is reflected in the company's move into the mobile radio communications field. In May, Metromedia agreed to purchase Radiofone Corp. for about $55.8 million. This month, it agreed to pay $86.5 million for companies in Chicago, Boston and Philadelphia that provide radio paging service.

As in the past, Metromedia is expected to grow perhaps as much through acquisition as from within. Largely producing the funds to pay for this growth are the company's broadcast operations, consisting of seven tv stations and 14 radio stations.

As part of a program to improve its station holdings, Metromedia last month completed its purchase of WCVB-TV, Boston, an independent ABC affiliate, and sold KMBC-TV, Kansas City, to Hearst Corp. for $79 million in cash. Metromedia paid $220 million in cash and notes for the Boston station, a record for a tv station. It sold KMBC to comply with Federal Communications Commission regulations that limit the number of tv stations owned by one company to seven.

Robert Bennett, who is credited with making the Boston station No. 1 in ratings in its market, last month was named Metromedia senior vp-television broadcasting and production and the fourth member of Metromedia's office of the president. He will continue to be based in Boston, where he has been WCVB-TV general manager since leaving Metromedia's New York tv station, WNEW, in 1971.

With the consummation of these deals, the reach of Metromedia's tv stations increases to 25% of U.S. tv households from 20%. The company claims that the 1981 Nielsen Station Indexes show Metromedia stations third after those owned and operated by ABC and CBS in terms of net weekly circulation.

There were also some shifts in the radio station ownership as Metromedia acquired WWBA-FM, Tampa/St. Petersburg, for $7 million in an exchange transaction that also involved the sale of KSAN (fm), San Francisco. Metromedia also acquired KHOW (am), Denver, for about $15 million.

Metromedia expanded its Foster & Kleiser outdoor advertising business last year with the acquisition of outdoor companies in Atlanta and Savannah, Ga. The company owns and services over 42,000 structures in 18 U.S. markets.

The company completed its divestiture of its Figi's subsidiary, removing itself from the mail order business.

The company's strong performance in recent years has been attributed to the direction of chairman John W. Kluge, who owns 18% of the company. He and several associates gained control in 1959.

Reflecting the company's performance, Metromedia stock has grown by an average annual rate of 70% compounded since 1974, making it the fastest-growing stock on the New York Stock Exchange in that period.

MEDIA PROPERTIES

Broadcasting

TELEVISION: KTTV-TV, Los Angeles; WCVB-TV, Boston; WTCN-TV, Minneapolis/St. Paul; WNEW-TV, New York; WXIX-TV, Cincinnati; KRIV-TV, Houston, WTTG-TV, Washington.

RADIO: KLAC (am) and KMET (fm), Los Angeles; KHOW (am), Denver; WWBA (fm), Tampa/St. Petersburg, Fla.; WMET (fm), Chicago; WCBM (am), Baltimore; WNEW (am, fm), New York; WOMC (fm), Detroit; WIP (am) and WMMR (fm), Philadelphia; KRLD (am), Dallas/Fort Worth; KJR (am), Seattle; WASH (fm), Washington.

Outdoor

Foster & Kleiser (42,000 boards in 18 markets).

OTHER OPERATIONS

Metromedia Producers Corp., Metrotape, Harlem Globetrotters, Ice Capades, Ice Capades Chalet.

Morris Communications Group

Morris Communications Group, Augusta, Ga., is the country's 69th largest media company, with ADVERTISING AGE-estimated media revenues of $115.8 million in 1981, nearly all from newspapers in the South and Southwest.

Total revenues for the company were an estimated $118.4 million, up from $89 million in 1980. The increase in revenues came primarily from increased circulation prices.

The privately held company publishes the *Amarillo Globe-Times, Amarillo Daily News* and *Lubbock Avalanche-Journal* through its Southwestern Newspaper Corp. Revenues from this operation account for nearly half of the company's total media revenues.

A second division, Southeast Newspaper Corp., also contributes almost 50% of total media revenues. Southeast Newspaper includes the nearly 200-year-old *Augusta* (Ga.) Chronicle and *Herald* and the *Sunday Chronicle-Herald*; the *Savannah* (Ga.) *Morning News* and *Evening Press*, and the *Juneau* (Alaska) *Empire.*

Athens Newspaper Inc., another subsidiary, owns the *Athens* (Ga.) *Banner Herald* and the *Athens Daily News.*

In the fall of 1981 Morris bought the *Quarter Horse News,* a bimonthly based in Fort Worth, Tex., with approximately 3,000 subscribers.

Morris is experiencing some softness in classified and retail advertising, according to president and publisher William S. (Billy) Morris III, a second-generation newspaperman in Augusta. "Business has always been cyclical," he said. "We're just going through a cycle now."

Mr. Morris said the company is in the midst of a long term project to update equipment in its newspapers.

Morris Communications publishes five weekly papers. The company also owns Southwest Publications, which is primarily a book and magazine printer.

MEDIA PROPERTIES

Newspapers (dailies)

Southeastern Newspapers Corp.—ALASKA: *Juneau Empire.* GEORGIA: Augusta Chronicle, Augusta Herald, Savannah Morning News, Savannah Evening Press. Southwestern Newspapers Corp.—TEXAS: *Amarillo Daily News, Amarillo Globe-Times, Lubbock Avalanche-Journal.* Athens Newspapers—GEORGIA: *Athens Banner-Herald, Athens Daily News.*

Newspapers (nondailies)

North American Publications—FLORIDA: *Tampa Neighbor.* GEORGIA: *Elbert Beacon, Elberton Star, Hartwell Sun, Royston News Leader.* SOUTH CAROLINA: *Hilton Head News.*

Magazines

Quarter Horse News.

OTHER OPERATIONS

Southwest Publications.

Multimedia Inc.

Multimedia Inc., Greenville, S.C., is the country's 42nd largest media company, with revenues of $195.3 million in 1981, all from media operations. That's up 19% from 1980's revenues of $163.6 million.

Broadcasting accounted for $97.4 million, or 50% of revenues, newspapers $78.5 million, or 40%, and cable tv $19.4 million, or 10%.

The company includes program production and distribution in its broadcast revenues.

In 1981, Multimedia completed 10 years as a public company. Revenues have increased more than five-fold from $36 million in 1971.

The company publishes 13 daily and 22 nondaily newspapers; owns and operates six television stations and 12 radio stations; operates over 60 cable tv franchises, and produces and syndicates tv programing.

With the population growth and trade influx to the Sunbelt markets, Multimedia's papers tend to be less recession-sensitive than other newspaper markets.

According to *Sales Management,* consumers in Multimedia daily newspaper markets spend an average of 14% more of their discretionary incomes on retail goods and services than consumers spend nationwide.

In February 1982, Multimedia started a service at the *Asheville Citizen-Times* on one leased cable channel, delivering local news and weather supported by both retail and class advertising. Encouraged by early results, the

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with quality Feudor lighters
and get 2,000 lights and exposures to boot.

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company plans to expand this service into other markets.

In the broadcasting division, Multimedia is still awaiting an FCC approval to trade WFBC-TV in Greenville and WXII-TV in Winston-Salem for Pulitzer Publishing Co.'s KSDK-TV in St. Louis. This exchange is expected to be official in the fall and will give Multimedia ownership of the NBC affiliate in the 14th largest market in the U.S.

This year is proving a busy one for Multimedia's WBIR-TV in Knoxville, Tenn., the site of the 1982 World's Fair. Along with airing live daily news programs and a weekly magazine program from the fair, WBIR-TV will be involved in a tv special produced for the fair by Multimedia Program Productions of Nashville (formerly Show Biz).

Multimedia became the largest producer/syndicator of country music programing in the world after acquiring Show Biz last year.

After only two years, Multimedia Cablevision is faring well in cable company rankings. It rose to 30th in *Television Digest*'s ranking of Oct. 1, 1981 and was ranked 29th by *Broadcasting* in Nov. 1981.

The division has grown to 160,000 subscribers from the 66,000 at the beginning of 1981 and now operates more than 60 franchises in Kansas, Oklahoma, Illinois and North Carolina.

In 1981, Multimedia bought 20% of Tar River Communications and has an agreement to acquire one-fifth of the company each year until 1985 when it will have full ownership. All of Tar River's cable operations are located in North Carolina. The company plans to increase its cable business through greater subscriber penetration and increased revenue per subscriber.

Multimedia will continue its basic reliance on its newspaper and broadcasting division, Walter E. Bartlett, president and chief operating officer, said. But, he added, Multimedia is positioned to take advantage of the program needs for both commercial tv and cable tv and the expanding possibilities in cable ownership.

"In the next five years, we expect our programing production division and cable division to develop a solid, profit base matching the profits now produced in our newspaper and broadcasting divisions," he said. "We believe this will structure Multimedia to meet most of the changing economic conditions in the next five years."

Mr. Bartlett was among a number of management changes last year following the death of chairman, J. Kelly Sisk, in November 1980. Wilson C. Wearn became chairman and chief executive officer, and Mr. Bartlett, former president of Multimedia Broadcasting, moved up to replace him as president and chief operating officer. Donald J. Barhyte, former vp finance and administration, was named vice chairman and chief financial officer.

Multimedia also named James T. Lynagh, former vp of the Post-Newsweek Co., as president of the broadcasting division, and E.B. Chester, a principal in Tar River Communications joined as vp for development.

MEDIA PROPERTIES

Newspapers (dailies)

ALABAMA: *Montgomery Advertiser, Alabama Journal* (Montgomery). FLORIDA: *Winter Haven Daily News-Chief.* GEORGIA: *Moultrie Observer.* NORTH CAROLINA: *Asheville Citizen-Times.* OHIO: *Gallipolis Daily Tribune, Pomeroy-Middleport Daily Sentinel.* SOUTH CAROLINA: *Greenville News, Greenville Piedmont.* TENNESSEE: *Clarksville Leaf-Chronicle.* VIRGINIA: *Staunton Leader.* WEST VIRGINIA: *Point Pleasant Register.*

Newspaper (nondailies)

ALABAMA: *Prattville Progress.* ARKANSAS: *Baxter Bulletin* (Mountain Home), FLORIDA: *Auburndale Star.* GEORGIA: *Weekly Moultrie Observer.* OHIO: *Tri-Country News* (Gallipolis). TENNESSEE: *Ashland City Times, Dickson Herald, Gallatin News-Examiner, Music City News* (Nashville), *Nashville Record, Stewart Houston Times,* (Dover-Erin), *Waverly News-Democrat.* Six shoppers in Arkansas, Florida, Tennessee and Virginia.

Broadcasting

TELEVISION: WMAZ-TV, Macon, Ga.; WXII-TV Winston-Salem, N.C.; WLWT-TV, Cincinnati; WFBC-TV, Greenville, S.C.; WBIR-TV, Knoxville, Tenn.; WZTV, Nashville, Tenn. RADIO:KAAY (am) and KLPQ (fm), Little Rock, Ark.; WMAZ (am, fm), Macon, Ga; WAKY (am) and WVEZ (fm), Louisville, Ky.; KEEL (am)and KMBQ (fm), Shreveport, La.; WWNC (am), Asheville, N.C.; WFBC (am, fm), Greenville, S.C.; WEZW (fm), Milwaukee.

Cable/video

Multimedia Cablevision, serving ILLINOIS: Batavia, Chicago Ridge, Evergreen Park, Hometown, Lisle, Oak Forest and Oak Lawn, Harvey, Markham, Phoenix (all 80% owned). KANSAS: Attica Township, Bel Aire, Crestview Estates, Delano Township, Eastborough, Gypsum Township, Herrington, Kechi Township, Lyons, McConnell Air Force Base, McPherson, Medicine Lodge, Minnegha Township, Oaklawn, Park City, Park Township, Payne Township, ShadyBrook, Springdale, Timber Lake, Riverside Township, Waco Township, Wichita. NORTH CAROLINA: Beaufort Cable, serving Chocowinity, Beaufort County, Washington, Washington Park; Clinton Cable, serving Sampson; Enfield Cable; Gaston Cable, serving Belmont, Mount Holly, Gaston County; Greenville Cable, serving Ayden, Greenville, Pitt County, Winterville; Mecklenburg Cable, serving Pineville, Mint Hills; Monroe Cable, serving Monroe, Indian Trail, Union County, Marshville, Wingate; New Bern Cable, serving Bridgeton, Craven County, New Bern, River Bend, Trent Woods; Tar River Cable, serving Battleboro, Nash County, Nashville, Rocky Mount, Sharpsburg, Tarboro. OKLAHOMA: Bethany, Bixby, Chickasha, Crescent, Del City, Edmond, Elreno, Erin Springs, Guthrie, Lindsay, Logan County, Moore, Mustang, Nichols Hills, Perry Tinker Air Force Base, Valley Brook, The Village, Warr Acres, Yukon.

OTHER OPERATIONS

Multimedia Program Productions (tv productions and syndication).

National Enquirer

National Enquirer, Lantana, Fla., is the 57th largest U.S. media company, with 1981 revenues estimated by ADVERTISING AGE at $145 million, all from the company's two tabloids, the *National Enquirer* and *Weekly World News.*

In 1980, the company had estimated media revenues of $129 million.

The National Enquirer is the company's mainstay and remains the undisputed leader of the weekly tabloid market. Its most recent circulation figures—5.1 million—make it the "largest circulation newspaper" in America, the company says. The tabloid had experienced sharp declines in circulation between 1978 and mid-1981, when ABC figures showed a circulation of 4.8 million. The new figures suggest that the decline has been arrested.

The company's other publication, *Weekly World News,* had another disappointing year. Its total circulation hovers around 600,000 and the company's optimistic projection of a circulation of 1 million by mid-1982 will not be reached.

The *Enquirer* has raised its cover price to 65¢ from 45¢. However, that seems to have had little effect on circulation. "Not only didn't the price increase hurt circulation, but sales increased significantly," said Enquirer spokesman Martin O'Farrell.

Last year was a turbulent one for the *Enquirer.* It lost its first libel suit when a Los Angeles judge awarded actress Carol Burnett $1.6 million in damages—an award that was later halved in another court. Mr. O'Farrell claimed that the libel suit has had no material impact on the activities of the *Enquirer.* "We are just as careful and meticulous about our reporting and fact-checking as ever," he said.

The tabloid continues with its successful formula of celebrity gossip, medical and personal advice, cheesecake and cute kids. The multipicture cover, however, has been replaced by one dominant cover photo and smaller insets.

The *Enquirer* has launched a major network tv campaign through Compton Advertising, its new agency. It plans to spend $30 million for a total of 300 gross rating points, according to Neil Carey, senior vp, marketing.

Mr. Carey said the tv campaign follows the pattern of the highly successful *People* commercials—weekly spots that will highlight the current issue's feature articles and the week's psychic predictions. The commercials have been appearing on prime time hours and during daytime soap operas. Cable networks and satellite-distributed superstations such as WTBS, WOR and WGN also have been used.

The purpose of the campaign, according to publisher Generoso Pope, is to double circulation to 10 million in the near future. "We want to make the *Enquirer* a household name," Mr. Carey said. "We are trying to position ourselves against *TV Guide*, not the other tabloids," he added.

Within the *Enquirer* there is a growing belief that its readership has begun to change. Advertising director Ralph Gallagher said that two recent reports clearly indicate that the tabloid has developed a readership beyond its traditional middle-income, middle-aged woman. A Simmons study has found that the *Enquirer* has considerable following within the teen age group, while another study reported that the median income of the *Enquirer* reader has risen to $19,294 from $16,570.

The new ad campaign and the apparent change in demographics are aimed at helping the *Enquirer* break out of its current advertising mold—running mostly cigaret and mail-order ads—and luring some of the big advertisers not traditionally associated with tabloids, such as Procter & Gamble and Sears, Roebuck & Co.

In order to do so, Generoso Pope has assembled a veteran sales team and recruited Arthur Sloat, a former president of Liggett & Myers, to head it. Also joining the team were Richard Sears as vp, advertising sales, and Vince Robinson and Gibson McCable as consultants. Mr. Sears was a former vp, ad sales with CBS, Detroit; Mr. Gibson, a former publisher of *Newsweek*, and Mr. Robinson, a former marketing director with Johnson & Johnson.

The *Enquirer* also has been looking into the possibility of a video magazine, according to Mr. Carey, but none of the proposals have yet proved satisfactory.

Mr. Carey said the magazine hopes to move into video in the near future.

Amidst all the new approaches in advertising and marketing, the company's management structure remains firm. Owner-chairman Mr. Pope and editor-president Iain Calder remain atop the management structure and Michael Hoy continues as the *Enquirer*'s executive director.

MEDIA PROPERTIES

Newspapers

National Enquirer, Weekly World News.

National Geographic Society

The National Geographic Society, Washington, is the nation's 47th largest media organization, with advertising and circulation revenues of $170.7 million, or 66% of total revenues of $257.7 million. Media revenues increased 19% last year and total revenues 24%.

The society publishes the monthly *National Geographic,* and "National Geographic World," a children's magazine that doesn't carry ads.

The society also is a major book and map publisher, a marketer of globes, film strips and films for schools, and co-producer with WQED-TV, the public tv station in Pittsburgh, of the highly acclaimed "National Geographic Specials."

Despite its good 1981 performance, said National Geographic president Gilbert M. Grosvenor, the nonprofit society is feeling the pinch of the national recession this year. Ad volume in *National Geographic* dipped 2.2 pages last year, to 387.9, but has swooned in 1982's first half, running 24% behind the 1981 pace through June, with 138 pages of advertising vs. 181 in the year-ago period.

Society officials attribute at least part of the ad decline to fast changing ad tactics in the auto industry, a major category for the *Geographic.* As the auto companies fence with short-term rebate and extended warranty offers, publications with long lead times, such as the *Geographic*, which has an eight-week close, are said to be at a disadvantage compared with newsweeklies.

While renewals remain high (84.6% in 1981), Mr. Grosvenor said efforts to sell new memberships in the society are facing tough resistance this year. "I deliberately pulled back our direct mail promotions because the results we've been getting have been poor," he said.

The difficult economic conditions are postponing further experimentation with television to promote membership sales, Mr. Grosvenor said.

He said the society was pleased with a recent test of tv to promote "National Geographic World" and "we'll test it again."

But he predicted the society will be "cautious" about any major shift from its traditional direct mail sales program.

Likewise, changes to make the *Geographic* more attractive to advertisers are being made gradually. Mr. Grosvenor said the magazine is unlikely to change the longstanding policy that has kept its editorial sections free of ads, but that it has added "appropriate editorial-type copy" to its front "bank" of ads to draw more readers to that part of the magazine. The front ad section now features a "Members Forum" letters section and an "On Assignment" article about *Geographic* writers and photographers.

The magazine also continues to exclude ads for tobacco products, alcoholic beverages and proprietary drugs from its pages.

Whatever its present challenges, the *Geographic* remains one of the most successful magazines in modern publishing history. At the turn of the century, the society began developing a mass market for general interest magazines on science and geography. Alexander Graham Bell not only invented the telephone, but, as president of the society, also put together one of the most successful magazine marketing strategies ever developed: Coupling subscription to the magazine with society "membership," giving customers a sense of participation in the stories being covered.

Over the years, the society's approach to magazine marketing has made the *Geographic* one of the biggest sellers in the entire publishing industry. Its worldwide circulation last year stood at 10.7 million; in the U.S., the society counted 8.8 million members.

Advertisers invested $29.1 million in the *Geographic* in 1981, up 10.2%. The society raised the magazine's 1982 page rates 9% to $95,575 for a four-color page in the full-run U.S. edition and 10.6%, to $73,520, for a b&w page. The U.S. rate base remained unchanged at 8.4 million. The 1983 rates are to be announced late this summer. The magazine offers seven regional and five metro editions within the U.S. and Atlantic, Pacific and Latin American English-language editions.

Circulation revenue from the *Geographic* last year was $129.7 million, up 22%. Circulation revenue from "National Geographic World" reached $11.9 million, up 9%.

The success of the *Geographic* has attracted many other publishers to the popular science, geography and culture field. Among the notable entrants is the Smithsonian Institution's *Smithsonian* magazine, which in 12 years has built circulation to 1.9 million and ad revenue to $23.8 million.

While rivals offer smaller, more upscale readership, Mr. Grosvenor said the society is committed to reaching a mass audience with the *Geographic*. "We don't feel that committed to a specific [readership] profile," he noted.

"National Geographic World," the society's entry in the children's magazine field, has developed circulation approaching 2 million since its 1975 debut. While the no-advertising policy remains in effect, Mr. Grosvenor said the society is "investigating the possibility of institutional type ads."

"If a manufacturer of space hardware wants to participate in some kind of special section on spacecraft, I could see where that might be appropriate," the society president said.

Mr. Grosvenor took over the presidency in 1980, the fifth in his family and the third carrying the Grosvenor name to hold that post. He had been editor of the *Geographic* for 10 years. He remains fascinated by the video revolution changing the face of tv, but said the society has yet to make firm plans on how it may benefit.

"It's exciting what's out there," he said, explaining that the society has a potential role as a supplier of programing for the new tv services that are popping up. Among the possibilities are participating as a program source for the new direct broadcast satellite networks envisioned by Comsat and others.

The society has an inventory of previously shown specials and educational films, Mr. Grosvenor said. And, he added, "I don't think you have to spend a bundle to make a program that's interesting to view."

MEDIA PROPERTIES

Magazines:
National Geographic, "National Geographic World."

New York Times Co.

New York Times Co., the country's 11th largest media company, had revenues from media operations—newspapers, magazines and broadcast facilities—of $796.6 million in 1981, up 17% from 1980 revenues of $679 million. Media accounted for 94% of the company's total 1981 revenues of $845.2 million. Remaining contributions came from the company's books, information and education division and interest income.

Over-all, the company had $61.9 million in operating income. The Times Co. newspaper group, which includes the *New York Times* and 18 regional papers, brought in revenues of $607.5 million last year, 71% of the company's total. Its operating income of $54.1 million represented 87% of the over-all company figure.

At a time when newspapers have been folding in Washington and Philadelphia, merging to stay alive in Atlanta and Minneapolis and struggling elsewhere, the New York Times Co. is almost indecently healthy. The company's flagship paper carried the most advertising in its 130-year history in 1981 and widened its share of the New York market to 60% from the 57% it pulled in the year before.

The *New York Times Magazine* once again ranked second behind *Business Week* in total ad pages among weekly magazines last year, increasing 3% to a record 4,512 pages.

Average weekday circulation at the *Times* climbed to 912,500 copies, while Sunday circulation grew to 1,485,000. What's more, these extra readers were paying more for their *Times*: The price of the daily paper went to 30 cents from 25 cents, making it the most expensive paper in the city; the Sunday $1 *Times* also continues to hold that distinction.

Despite its success—or perhaps because of it—the *Times* continues to evolve into more of a national newspaper. A second printing site for the paper's national edition was added in Florida last year and plans are to open one in California this year. They join the Chicago plant, which has been producing close to 75,000 weekday and 190,000 Sunday copies since 1980.

The *Times* also broadened its coverage in two key national areas in recent months. It added a page of Washington news and features soon after the *Washington Star* folded and also has redesigned its travel section

The company's magazine group—consisting of *Family Circle*, *Golf Digest* and *Tennis*—reported an operating profit of $13.1 million in 1981, down 6% from 1980. *Family Circle* continued to dominate this group, with its average paid circulation of 7.4 million making it the fifth largest selling magazine in the country. Advertising also held up well last year, considering the problems plaguing most of the women's service magazines. Ad pages increased by almost 5% to 1,666, and revenues were up 5% to $95.4 million.

New York Times Co. entered the cable field in 1981 with the purchase of two cable tv systems in New Jersey, and many industry observers expect the company to continue expansion in this area. There have been reports of discussions between top-level Times Co. executives and their counterparts at RCA/NBC about the possibility of some joint venture between the two communications companies.

Profits of the broadcasting and cable group declined last year to $3.5 million from $3.8 million, a drop of 8% that the company attributed to costs associated with the cable operation's development.

MEDIA PROPERTIES

Newspapers
FLORIDA: *Anna Maria Islander*, *Avon Park Sun*, *Fernandina Beach News-Leader*, *Gainesville Sun*, *Golden Gate Eagle*, *Lake City Reporter*, *Lakeland Ledger*, *Leesburg Commercial*, *Marco Island Eagle*, *Ocala Star-Banner*, *Palatka Daily News*, *Sebring News*, *Zephyrhills News*. NEW YORK: *New York Times*. NORTH CAROLINA: *Hendersonville Times-News*, *Lexington Dispatch*, *Wilmington Star-News*. LOUISIANA: *Houma Daily Courier*, *Thibodaux Daily Comet*.

Magazines
Family Circle, *Golf Digest*, *Golf World* (Great Britain), *Tennis*.

Broadcasting
TELEVISION: WHNT-TV, Huntsville, Ala.; KFSM-TV, Fort Smith, Ark.; WREG-TV, Memphis, Tenn.
RADIO:WQXR (am, fm), New York.

Cable/video
NYT Cable TV, Southern New Jersey.

OTHER OPERATIONS

Books, information and education (a news service, features service syndicate, information retrieval services, micropublishing and the publication of books and education materials). Also, equity interests in Madison Paper Industries, three Canadian newsprint companies and the *International Herald Tribune*.

S.I. Newhouse & Sons

Advance Publication Company, the corporate umbrella for the company otherwise known as Samuel I. Newhouse & Sons, New York, is the country's seventh largest media company, with 1981 media property revenues estimated by Advertising Age at $1.25 billion, up from an estimated $1.1 billion in 1980.

Media revenues accounted for 89% of total revenues of $1.4 billion in 1981, with the nonmedia revenues coming from Random House books. Total company revenues in 1980 were $1.25 billion.

GENTLEMEN'S QUARTERLY
GQ
in!
THE HOTTEST SUMMER LOOKS
FROM RACER BRIEFS TO BOXER TRUNKS
FRESH COLORS!
TAN, BLACK, WHITE SPARK SPORTSWEAR

Conde Nast's GQ had a 44% increase in ad dollars.

About 75% of the company's media revenues came from newspapers and the remainder from magazines, radio stations and cable tv.

The country's largest privately owned media company currently is completing the divestiture of its broadcasting properties. It previously sold its tv properties in Syracuse, Elmira and Birmingham, N.Y., Harrisburg, Pa.; Portland and St. Louis to the Times Mirror Co. It now is awaiting Federal Communications Commisssion approval for the sale of all its existing radio stations.

Assuming approval is granted, WAPI (am, fm), Birmingham, Alabama, will be sold to Bernard Dittman, owner of WABB, Mobile; WSYR (am, fm), Syracuse, to Katz Communications and WTPA (fm), Harrisburg, Pa., to Foster Management.

Outsiders believe the company is forsaking traditional broadcasting properties, and will use the proceeds from their sale to fund expansion in other media operations, specifically cable. Management claims, however, the current divestitures do not preclude acquisitions of other broadcast concerns at a future date.

The company's cable operations are ranked as the eighth largest in the country and said to be among the fastest growing. But the company has publicly kept a low profile on its cable/video operations, purposely downplaying its cable involvement per orders of company head Samuel I. Newhouse Jr., some say.

Last year, the company was reported to have bought a system in Lake County, Fla. but that deal apparently was not consummated. Its Vision Cable Communications does have in place, however, a teletext operation with Dow Jones & Co. in Clearwater, Fla., that is considered one of the most advanced text and graphics systems in the country.

The company has anounced no major acquisitions since those of Vision Cable Co. and Danieis Properties—CATV Interests. But Mr. Newhouse is expected to continue to expand in cable and in time may use the company's magazines as a springboard into cable programing.

In the first six months this year, the Conde Nast Publications division has been actively promoting its coming revival of *Vanity Fair*, the repositioning of *House & Garden* and the makeover of *Mademoiselle*.

Conde Nast reportedly is investing $10 million in *Vanity Fair*, which will be relaunched next spring. Cultural coverage is the publication's focus, with culture broadly defined as anything from music to politics to sports. The magazine's prototype graphics seemed a blend of *Interview* and *Glamour*, designed to attract an upscale reader.

The high-income reader is also the target of Conde Nast's repositioned *House & Garden*. The 81-year-old magazine will now take on a more esoteric approach to decorating and design as well as the arts *a la Architectural Digest*, the presumed competition for the new *House & Garden*. Its cover price will be increased from $1.50 to $4 and the 1 million rate base will be cut.

Last year Conde Nast tested the waters for this repositioning when it made some visual and editorial changes in the publication. The changes appeared to help circulation, but *House & Garden's* advertising pages were down 11% in 1981 from 1980, while ad revenues rose only .3% to $26.6 million.

Other Conde Nast advertising results last year included increases for *GQ*, up 14% in pages and 44% in ad dollars to $7.3 million; *Vogue*, up 16% in pages and 31% in dollars to $40.4 million; *Glamour*, up 7.3% in pages and 26% in dollars to $36.1 million; *Mademoiselle*, up .9% in pages and 21% in dollars to $17.1 million.

Self pages increased 14% and its ad dollars rose 37% to $50.9 million. However, Conde Nast insiders still feel that *Self* is in need of more advertising categories. A survey commissioned by the publication may result in an aggressive effort to lure more advertisers.

Last February, *Self* said that liquor, beer and wine advertisers are ignoring women and reported that its survey showed that more then 90% of American women now drink some form of alcoholic beverage.

Because of Conde's current plans for *Vanity Fair*, *House & Garden* and *Mademoiselle*, which graphically now resembles *Self*, observers do not expect major developmens from the division in the next year.

If anything, they say, Conde Nast may buy a small publication along the lines of a *Gourmet*, if it came up, but would not start a new book from scratch nor invest in a large-circulation publication.

Conde Nast executives indicated there was some truth to the "smaller property" theory when they said they had never looked at Charter Co.'s *Redbook* when it was for sale, despite rumors that Conde Nast was a potential buyer.

The company's Random House division earlier this year bought part of Fawcett Publications book division from CBS Inc. The six lines purchased were: Crest, Gold Medal, Premier, Columbine, Coventry and Juniper.

MEDIA PROPERTIES

Newspapers (dailies)

ALABAMA: *Birmingham News, Huntsville Times, Huntsville News, Mobile Press, Mobile Register.* LOUISIANA: *New Orleans Times-Picayune, New Orleans States-Item.* MASSACHUSETTS: *Springfield Republican, Springfield Union News.* MICHIGAN: Booth Newspapers—*Ann Arbor News, Bay City Times, Flint Journal, Grand Rapids Press, Jackson Citizen Patriot, Kalamazoo Gazette, Muskegon Chronicle, Saginaw News. MISSISSIPPI: Pascagoula Mississippi Press, Pascagoula Chronicle.* MISSOURI: *St. Louis Globe-Democrat.* NEW JERSEY: *Jersey Journal* (Jersey City), *Newark Star Ledger.* NEW YORK: *Staten Island Advance, Syracuse Herald Journal, Syracuse Post Standard.* OHIO: *Cleveland Plain Dealer.* ORFGON: Portland Oregonian, Oregon Journal (Portland). PENNSYLVANIA: *Harrisburg Patriot News.*

Magazines

Conde Nast Publications: *Bride's, Glamour, GQ, House & Garden, Mademoiselle, Self, Vanity Fair.* Conde Nast Publications Ltd.—England. Les Editions Conde Nast SA—France. Edizioni Conde Nast SPA—Italy. *Parade,* the Sunday supplement.

Broadcasting

RADIO: WAPI (am, fm), Birmingham, Ala.; WSYR (am, fm) Syracuse, N.Y.; WTPA (fm), Harrisburg, Pa.

Cable/video

MetroVision Inc., serving LOUISIANA: St. John the Baptist Parish. NEBRASKA: Auburn, Crete, David City, Fairbury, Freemont, Humboldt, Lincoln, Nebraska City, Pawnee City, Seward, Superior, Table Rock, Tecumseh, Douglas County, York. OHIO: Green Township. ILLINOIS: Blue Island, Berwyn, Crestwood, Melrose Park, Midlothian, Northlake, Palos Hills, Posen, Stickney, Tinley Park, Westhaven, Hickory Hills (90% interest). INDIANA: Portage. KENTUCKY: Newport. TEXAS: Belton, Belmead, Beverly Hills, Greenville, Killeen, Lacey-Lakeview, Robinson, North Woodway, Temple and Waco. WISCONSIN: Menomonee Falls, Lannon (90% interest). WYOMING: Sheridan. Also, NewChannels Corp., serving ALABAMA: Anniston, Eufaula, Greenville, Wetumpka. NEW YORK: Binghamton, Carthage, Cooperstown, Corning, Delhi, Fulton, Malone, Massena, Ogdensburg, Oneonta, Potsdam, Rome, Sidney, Syracuse, Troy. PENNSYLVANIA: Canonsburg, Corapolis, Crescent Township, Moon Township, Neville Township. Also, Vision Cable Communications, serving FLORIDA: Clearwater (90% interest), Kenneth City, Pinellas Park. LOUISIANA: Alexandria and Houma. NEW JERSEY: Fort Lee. NORTH CAROLINA: Albemarle, Concord, Jacksonville, Morehead City, Salisbury, Shelby, Southport and Wilmington. PENNSYLVANIA: DuBois. SOUTH CAROLINA: Darlington, Florence and Sumter. Also, Eastern Microwave, a common carrier serving the northeast with cable tv voice and data, as well as superstation WOR to all 50 states.

News America Publishing

News America Publishing, New York, the U.S. branch of Rupert Murdoch's international publishing company, is the country's 36th largest media company, with estimated U.S. revenues of $210 million for the fiscal year ended June 30, all from print media.

In New York, the story brewing at the tabloids is now tabloid material itself, and, as can be expected, Rupert Murdoch is playing a leading role in the melodrama.

Mr. Murdoch's *Post* is in one corner, squared off against the *Daily News*, and the combatants claim they are fighting not just a sparring match but a gladiator's duel.

"Both of us are engaged in a dance of death which must end in the disappearance of one or both newspapers," Mr. Murdoch observed recently.

In April, Mr. Murdoch broke a longtime silence about the *Post's* financial ledger to reveal that the publication would lose some $20 million during a two-year period ending this year.

Previously, Mr. Murdoch had said only that the *Post's* losses would exceed the profits from the rest of his American media holdings, which, at this point at least, are in the black.

Mr. Murdoch's admissions about the Post's losses came under duress. The *News*, which could lose as much as $40 million to $50 million this year, was on the sales block and optioned off to media magnate Joe L. Allbritton. After a series of on-again, off-again negotiations between the *News'* 11 unions and the media executive, Mr. Murdoch entered the picture when the unions invited him to match his own bid for the paper. Later, Mr. Allbritton dropped out of negotiations.

Mr. Murdoch proved to be more than compliant. At a press conference, he talked openly about the faltering state of both dailies and he declared his intention of becoming the patriarch for both papers. His offer: He would buy the *News* and run it jointly with the *Post*, and, in doing so, he would try to preserve the integrity of both of them. He sweetened his proposal with the promise that he would build a $150 million, high technology plant in Queens capable of printing 2.5 million newspapers a day.

The response from the Tribune Co., the Chicago-based owner of the *Daily News*, was quite literally, "Drop dead," and the company made sure Mr. Murdoch knew it by printing it in headline-size type.

Yet it doesn't appear that the book is closed quite yet on this story of the battling tabloids. They still take potshots at each other, in news stories and in editorial columns, and the bitterness that has fueled the newspaper war is still there.

While the *Post* continues to get most of the attention, it is Mr.Murdoch's other American holdings that are bringing in the income. *New York* magazine, for instance, is now solidly in the black and is recording an all-time high this year in advertising pages and revenues. Ad pages will total about 2,600 this year, and will gross about $30 million for the fiscal year ending in June.

Automobile advertising, weak at the end of the year, is rebounding, with both domestic and foreign companies contributing to the till. Two other major growth categories are banking and retailing. Liquor and cigarets continue to hold up well, according to Martin Singerman, president of the News Group magazines subsidiary. "There is no real soft category," Mr. Singerman says.

The sturdy *Village Voice* is registering a record-breaking year in display and classified advertising. It will pull in about $14 million on 2,700 pages of advertising. At a time when the book publishing industry has been soft, the *Voice's* young literary supplement continues to grow. It is slated to appear in 10 issues of the *Voice* during its first year of existence. So far, there have been at least seven pages of advertising in each issue.

Circulation at the *Voice* remains at 145,000.

News America's most profitable publication is the weekly tabloid *The Star*, which is projected to bring in about $60 million in revenues. Mr. Singerman sees what he describes as a "healthy" move on the part of national advertisers into the tabloid, but he concedes the advertising community is "uncomfortable" with the "tabloid format."

"It's an image situation," he asserts, stressing that national advertisers will join the *Star's* fold in good time.

The Star offers 17 pages of ads 52 times a year, and usually books a full house.

MEDIA PROPERTIES

Newspapers (dailies)

NEW YORK: *New York Post.* TEXAS: *San Antonio Express, San Antonio News.*

Newspapers (nondailies)

NEW YORK: *Village Voice.* TEXAS: *The Star*, Houston Community Newspapers (all in Houston)—Community News, Humble Echo, Sentinel, Suburbia-Reporter, Sun, Sun Woodland.

Magazines

New York.

Oak Industries

Oak Industries, Rancho Bernardo, Cal., is the country's 60th largest media company, with estimated revenues of $130 million from media operations in 1981, or 26% of total revenues of $507.1 million, compared with media revenues of $76 million and total revenues of $386 million in 1980. Oak's subscription tv (stv) operations accounted for nearly all media revenues.

Oak's subscription tv operations—using the ON TV consumer trade name—are the over-the-air pay tv industry's largest, claiming 596,000 subscribers of the entire stv industry's 1.3 million homes as of February, 1982.

The publicly owned company's major business continues to be equipment manufacturing for electronic, cable tv and other industries, but Oak has been diversifying into tv media and software. Pay-per-view programing is one major thrust of Oak's tv software efforts.

In 1981, Oak had five ON TV stv operations: Los Angeles (388,000 subscribers as of February, 1982, the world's largest), Chicago (115,000 subscribers), Miami/Fort Lauderdale (38,000 subscribers), Phoenix (37,000 subscribers) and Dallas/Fort Worth (16,000 subscribers). Los Angeles and Miami/Fort Lauderdale are wholly owned while the others are joint ventures. In September, 1981, Oak bought out partner Chartwell Communications Group's 49% interest in ON TV Los Angeles for $55 million.

The Chicago operation has the distinction of being the industry's fastest growing, becoming profitable only eight months after its September, 1980, start. On the other hand, in Dallas/Ft. Worth, growth "has been less than expected" because ON TV competes with two other stv services, so Oak is considering a "combination with other parties" there, the company said.

Separately, Oak licenses the ON TV trade name to stv operations in Cincinnati, Portland and Philadelphia.

Oak has new stv starts, both joint ventures, planned for Houston and Baltimore/Washington in late 1982. The company also has said it may launch stv ventures in other, unspecified areas.

Consistent with industry practice, Oak markets ON TV using mass media advertising. About 85% of ON TV's estimated $11 million in ad spending (for five markets) is spent on tv commercials. Oak consolidated its entire consumer stv account at Admarketing, Beverly Hills, last January. The account previously had been split with Foote, Cone & Belding, Chicago.

Consumers pay about $23 monthly for ON TV service, which consists of uncut, commercial-free movies and special events. Delivery is via an ordinary, over-the-air uhf tv signal that is scrambled with Oak equipment.

ON TV offers local professional and collegiate sports events on an exclusive basis, a key local selling point that differentiates ON TV from national pay cable networks.

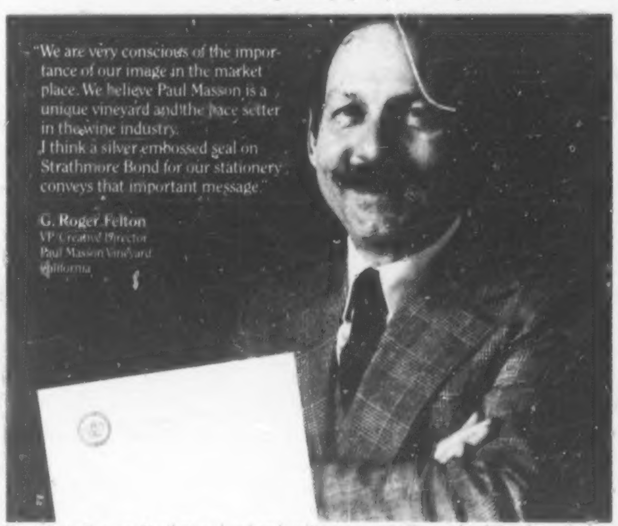
Oak's stv decoder equipment, with which its first stv operation was started in 1977 in Los Angeles, is addressable, *i.e.*, subscribers can be individually tuned in or out. That capability makes possible pay-per-view events in which subscribers are tuned into a special program when they pay an extra fee. Major such ON TV events include a September, 1981, Leonard-Hearns boxing match ($15 extra; 52% of the subscriber base participated) and a December, 1981, Rolling Stones rock concert ($10 extra; 10% of the subscriber base participated). Both were presented live via satellite.

In another pay tv media venture, Oak hopes to operate in mid-1983 a direct broadcast satellite network reaching the northern part of the U.S. Consumers receive a dbs (direct broadcast satellite) signal directly from a satellite with a special antenna at their home. Oak plans to offer ON TV-like programing and in mid-1982 will file for Federal Communications Commission authorization to start the service.

In a joint venture, Oak plans to field test in 1982 a tv service bringing special programs to college campuses. Students will pay an admission fee to view the programs on large-screen tvs in theaters.

Program production activity, handled by the Oak Media Development subsidiary, includes a joint venture with Universal Pictures to make four movies for a total cost of $16 million. Oak

STRATHMORE
The quality people respond to.



"We are very conscious of the importance of our image in the market place. We believe Paul Masson is a unique vineyard and the pace setter in the wine industry.
I think a silver embossed seal on Strathmore Bond for our stationery conveys that important message."

G. Roger Felton
VP Creative Director
Paul Masson Vineyard
California

For information on Strathmore bond and writing papers, call your local Strathmore paper merchant or write to: Strathmore Paper Company, Dept-BW Westfield, MA 01085

Media Development is also producing pay tv pilots and programs, in some cases with partners sharing the risk.

In a short-lived media thrust, Oak acquired cable tv systems in Oxnard, Cal., and Castro Valley, Cal., in 1981. But in February, 1982, Oak said it will sell off the cable systems, which have 40,000 subscribers combined, apparently because the company is unwilling to enter the now-competitive cable system acquisition and franchising arena.

In 1981, Oak acquired 81% interest in VideoNet, a Woodland Hills, Cal., company that markets closed-circuit tv services.

Oak's 31% increase in revenue and 51% increase in operating profit in 1981 were due largely to growth in stv operations and tv communications equipment. Oak's communications equipment order backlog at the end of 1981 stood at $168.7 million.

MEDIA PROPERTIES

Broadcasting

TELEVISION: KBSC-TV, Corona, Los Angeles (50% interest); WKID-TV, Fort Lauderdale, Fla.; WSNS-TV, Chicago (49% interest).

Cable/video

ON TV subscription tv (Phoenix, Los Angeles, Miami/Fort Lauderdale, Chicago and Dallas/Fort Worth); cable tv franchises in two California cities (being sold off in 1982).

OTHER OPERATIONS

Oak Communications (stv, cable tv and dbs equipment), Oak Media Development (tv programing), Oak Technology, Oak Satellite.

Oklahoma Publishing Co.

Oklahoma Publishing Co., a privately held enterprise owned by the Gaylord family in Oklahoma City, is the nation's 30th largest media company, with 1981 media property revenues estimated by ADVERTISING AGE at $266.8 million.

Last year's estimated revenues represent a 16% increase from 1980's estimate, which has been restated to $229 million to reflect the unusually large advertising-to-circulation revenue volume of about eight to one at the company's Oklahoma City newspaper operation. AA's original estimate of 1980 revenues was $170 million.

Oklahoma Publishing derives all of its revenues from media operations. The Gaylord family, however, has oil and gas and real estate interests as well.

Estimated 1981 revenues reflect normal revenue growth of about 15% in the seven tv markets of subsidiary Gaylord Broadcasting Co., and about 12% in Gaylord's two radio markets; a slight ad volume increase for *Farmer-Stockman* magazine, and revenue-increasing moves at the morning *Daily Oklahoman* and evening *Oklahoma City Times*, Gaylord's flagship papers in Oklahoma's capital city.

The Oklahoma City papers increased daily circulation prices from 20 cents to 25 cents and Sunday prices from 50 cents to 75 cents in April, 1981, and boosted retail linage rates several times during the year, resulting in rates at yearend that were 38% higher than at the end of 1980.

The company, which saw its morning, evening and combined Saturday editions lose circulation while the Sunday issue gained circulation, took steps to butt heads with competitors in the market that it has all but dominated for years.

The *Oklahoman* has beefed up editorial content in its two distribution zones—defined basically by U.S. 66—to combat territorial encroachment by suburban papers, particularly in the affluent northern part of Oklahoma City. The paper contains an interior r.o.p. broadside section of about 36 pages carrying part-run rates to attract smaller advertisers. The sections are off-limits to the bigger advertisers.

The rates, of course, are much cheaper than the full-run rates. A weakness of the special sections may be that they appear only on Monday and Thursday afternoons and Tuesday and Friday mornings. Only the special sections in the *Daily Oklahoman* Tuesday morning and the *Oklahoma City Times* Thursday evening are flagged as special editorial sections and given their own cover page along with more extensive coverage of social events.

These two editions have been distributed only in the north zone. Launched in April, they are slugged as the West and North sections of the north zone edition. The two sections carry the same advertising and editorial, although page one of each section is replated to designate West or North. Line rates are structured to encourage advertisers to buy all four sections appearing in the two morning and two evening papers.

Editorial in this north zone, especially in the Tuesday and Thursday papers, concentrates on parties and other items on the social calendar, an editorial thrust that has given the local competitor and suburban *Friday* newspaper a circulation of 14,448 in the city's far north region since founded by local entrepreneur Leland Gourley eight years ago.

"We call, the *Oklahoman*'s section *Friday Jr.*," chuckled Mr. Gourley, referring both to the sections' coverage and appearance. Mr. Gourley, who says *Friday* next to the *Oklahoman* is a "gnat on an elephant's rump," said the special sections "scared me a bit" when launched. "If they [the *Oklahoman*] do me dirt, it is to one of their good friends," he quipped, noting that *Oklahoman* news executives and families are a big part of the social register covered by *Friday* and like to read about themselves in his paper. Mr. Gourley said that *Friday* is running 32% ahead in dollar volume this year than last, but then "we were holding a 30% to 35% increase each month before the *Oklahoman* special sections came out."

The *Oklahoman* also faces increased editorial competition from *The Journal Record*, which has been transformed from a legal-notice broadsheet with a daily circulation of 600 several years ago into a full-fledged business daily with 4,500 subscribers. The paper offers themed sections on oil and gas (Tuesday), small business (Wednesday), executive living (Thursday) and real estate and construction (Friday). In an effort to improve its own business coverage, the *Oklahoman* this year hired the business daily's editor as the *Oklahoman's* business editor.

Observers said the *Oklahoman's* dominance of the local print media market has enabled it to retain the loyalty of advertisers, especially larger clients, even while levying higher-than-usual rate increases.

But "they've gotten loud cries from their advertisers," said a local advertising man, who noted that many advertisers have stayed put because there is no place else to go. He added that he expects a fallout if such increases continue: "They [the *Oklahoman*] have dipped their hand into the cookie jar and so far have come out with whole cookies. Sooner or later if rates continue to rise, they'll come out with broken ones."

The *Oklahoman* also does a thriving business in pre-print inserts, traditionally setting its prices just below postal rates and discounting for multiple contracts, a local adman said.

Oklahoma Publishing's lone venture in magazines, *Farmer-Stockman*, recorded a flat year for advertising with total ads nudging upwards from 82,848 to 82,856 for a slight linage gain, according to Agricom monitoring service. The subsidiary includes the *Texas Farmer-Stockman*, the *Oklahoma Farmer-Stockman* and their various territorial issues. The ad performance at the Dallas-based operation was a reflection of both the general economic climate and the 1980 drought that killed crops across the Midwest and Southwest, according to Hal Mayfield, ad director at the Dallas-based magazine. Mr. Mayfield noted that if interest rates would drop and commodity prices rise, so would ad linage at the *Farmer-Stockman*. Its monthly circulation in 1981 was 209,722, primarily in Texas, Oklahoma and New Mexico.

MEDIA PROPERTIES

Newspapers

COLORADO: *Colorado Springs Sun*. OKLAHOMA: *Oklahoma City Oklahoman, Oklahoma City Times.*

Magazines

Farmer-Stockman.

Broadcasting

TELEVISION: Gaylord Broadcasting Co.—WTVT, Tampa, Fla.; WVUE-TV, New Orleans; WUAB-TV, Lorain (Cleveland), O.; KTVT-TV, Dallas/Fort Worth; KHTV, Houston; KSTW-TV, Tacoma, Wash.; WVTV, Milwaukee.

RADIO: WKY (am), Oklahoma City, KYTE (am, fm) and KLLB (fm), Portland, Ore.

Outlet Co.

Outlet Co., Providence, R.I., is the country's 87th largest media company, with media property revenues of $75 million.

Revenues were roughly divided in a five-to-one ratio between Outlet's tv and radio stations. The company owns five television and seven radio stations. Each television station is in one of the nation's top 50 markets, and the radio stations, some observers believe, are "well placed." Total revenues for the company were $142.8 million.

Outlet began as a small retail store in Providence in 1894. By 1924, the company owned a radio station, WJAR, in Providence, also with a large retail store. That year, WJAR and WEAF, a radio station in New York, formed the beginnings of the National Broadcasting Co. radio network. In the early days of radio, many retail stores established radio stations to encourage sales of crystal sets and broadcast commercials about themselves.

A decade ago, Outlet owned a chain of retail stores and several tv and radio stations. But in the mid-'70s, Outlet began to withdraw from retail operations. In 1980, it sold most of its department stores to United Department Stores of Trenton, N.J.

Last year, Outlet was almost acquired by Columbia Pictures Industries, but the deal fell through early this year when Coca-Cola Co. and Columbia agreed to merge. Reports suggested that Coca-Cola first agreed to buy Outlet as part of the Columbia transaction, but had second thoughts because of Outlet's retailing operations (which lost $544,000 on net sales of $66.9 million in 1981), and possible contingent liabilities connected with the sale of its stores to United, which filed for Chapter 11 bankruptcy late in January.

Outlet's broadcasting operations have been and remain healthy. According to Howard Kay, the company's director for corporate affairs, 1981 was an excellent year. "We saw very significant growth in commercials," he said.

"KSAT-TV in San Antonio was a very strong performer, along with KOVR-TV in Sacramento and WDBO-TV in Orlando. Our radio stations WIOQ [fm] in Philadelphia and KIQQ [fm] in Los Angeles were also good. Some others have not performed at that level. It's a mixed bag, but on the whole, we've done very well," he added.

Mr. Kay said that, while Outlet has no immediate plans to purchase additional broadcasting properties, "our long-term objective is to acquire more stations." He also indicated that an agreement has been reached to sell the last 69 stores in its retail operations to the management of the stores. In addition, Outlet is selling its radio stations (WDBO fm and am) in Orlando to Katz Broadcasting in Florida for $9.5 million, of which $2.25 million is in cash, with the rest secured by a $7.25 million seven-year note. The sale is to be final today.

Other merger plans are not in the company's immediate future, "But if someone came along with a legitimate position, we would listen," said Mr. Kay.

MEDIA PROPERTIES

Broadcasting

TELEVISION: KOVR, Stockton/Sacramento, Cal.; WDBO, Orlando, Fla.; WCMH, Columbus, O.; WJAR, Providence, R.I.; KSAT, San Antonio, Tex.

RADIO: KIQQ (fm), Los Angeles; WDBO (am, fm), Orlando, Fla.; WQRS (fm), Detroit; WIOQ (fm), Philadelphia; WSME (fm), Taiunton-Providence, R.I.; WTOP (am), Washington.

Park Broadcasting

Park Broadcasting, Ithaca, N.Y., is the country's 86th largest media company. Net operating revenues from media operations in calendar year 1981 were $75 million, a 15% increase from 1980 revenues of $65 million. Media operations represent 94% of total revenues in 1981 of $80 million.

Roy H. Park, 71, is sole owner of the company, which in 1962 bought its first broadcast station, WNCT-TV in Greenville, N.C., Mr. Park's home state. By 1977 the company owned seven television stations, seven am and seven fm radio stations, the maximum the Federal Communications Commission allows.

Mr. Park began buying newspapers in 1972. Today his company owns 53 dailies, weeklies and shoppers, many located in the South and Southeast. Combined circulation is 582,320, and no single paper reaches more than 50,000.

Park's most recent acquisition has been the *Robesonian*, a 112-year-old afternoon paper founded by a Baptist minister who served in the Civil War. It is based in Lumberton, N.C., and serves 16,000 readers. It dovetails nicely with Mr. Park's other properties; he has said he believes in sticking to what he knows best, and that means papers and broadcast stations that operate in smaller markets. It has also been his policy to promote growth by reinvesting all company earnings back into the company.

Mr. Park received degrees in business and journalism in 1931 from the University of North Carolina, and worked several short stints at editing and writing. But he got the capital he needed to found his own media company from a joint venture with Duncan Hines in the food business. Procter & Gamble acquired Hines-Park Foods in a 1956 merger. Mr. Park continued at P&G as an executive until he bought WNCT-TV in 1962.

Mr. Park's son, Roy Park Jr., runs another family venture, Park Outdoor Advertising, which operates in Ithaca, Jamestown, Binghamton and Utica, N.Y., and Scranton, Pa.

MEDIA PROPERTIES

Newspaper (dailies)

ARKANSAS: *Helena World.* FLORIDA: *Brooksville Sun Journal.* GEORGIA: *Warner Robins Daily Sun.* ILLINOIS: *Macomb Daily Journal.* INDIANA: *Plymouth Pilot News.* MICHIGAN: *Coldwater Daily Reporter.* NEBRASKA: *Nebraska City News Press.* NEW

YORK: *Lockport Union Sun & Journal, Norwich Evening Sun, Ogdensburg Journal.* NORTH CAROLINA: *Concord Tribune, Kannapolis Daily Independent, Morganton News Herald, Newton Observer-News-Enterprise, Robesonian* (Lumberton), *Statesville Record & Landmark.* OKLAHOMA: *Broken Arrow Daily Ledger, McAlester News-Capital & Democrat, Sapulpa Daily Herald.* VIRGINIA: *Manassas Journal Messenger.*

Newspapers (nondailies)

ARKANSAS: *West Helena Twin City Tribune.* GEORGIA: *Perry Houston Home Journal.* INDIANA: *Bremen Enquirer, Nappanee Advance News.* NEW YORK: *Canton-St. Lawrence Plaindealer, Potsdam Courier-Freeman, Massena Observer.* NORTH CAROLINA: *Maiden Times, Valdese News.* OKLAHOMA: *Bixby Bulletin, Hartshorne Sun, Jenks Journal, Quinton Times.* Also, shoppers in various locations.

Broadcasting

TELEVISION: WBMG-TV, Birmingham, Ala.; WUTR-TV, Utica, N.Y.: WNCT-TV, Greenville, N.C.; WDEF-TV, Chattanooga and WJHL-TV, Johnson City, Tenn.; WSLS-TV, Roanoke, and WTVR-TV, Richmond, Va.

RADIO: KRSI (am) and KJJO (fm), Eden Prairie, Minn.; WHEN (am) and WRRB (fm), Syracuse, N.Y.; WNCT (am, fm), Greenville, N.C.; KWJJ (am) and KJIB (fm), Portland, Ore.; WNAX (am), Yankton, S.D.; WDEF (am, fm), Chattanooga, Tenn.; WTVR (am, fm), Richmond, Va.; KEZX (fm), Seattle.

Outdoor

Park Outdoor Advertising, serving Binghamton, Ithaca, Jamestown and Utica, N.Y. and Scranton, Pa.

Penthouse International

Penthouse International, New York is the country's 55th largest media company with estimated 1981 media property revenues of $150 million, or 94% of total revenues of $160 million.

Since its founding in England in 1965 by Brooklyn-born Robert Guccione, 51, it has remained a private company. All the stock is owned by Guccione and Guccione family trusts. As chairman, president and chief editor, Mr. Guccione presides over every facet of his diverse holdings. Among them: Four magazines, two Atlantic City, N.J. properties, films, a syndicated television show, a mail order house for sexual aids, a heavy investment in a nuclear fusion research company and a meager book division. His ambition, stated repeatedly: "To own the largest privately held company in the world."

Toward this goal, he has continued to use profits from his highly successful *Penthouse* to fund various interests and support his litigious personality. The namesake magazine provides 80% of $124 million to the organization's yearly coffers. About 94% of *Penthouse's* 4,051,969 monthly copies are sold on newsstands. This is in contrast to arch rival *Playboy* which sells 52% of its 5,013,941 copies on newsstands. *Playboy,* though, compensates for reduced subscription prices with extra ad pages.

In 1981, both *Penthouse* and *Playboy* sustained substantial drops in ad pages; *Penthouse* lost 51 pages, *Playboy,* 45. *Penthouse* also had a 6% drop in circulation. Industry sources attribute this to the economic crunch as well as a lessening interest in skin magazines. A high level former *Penthouse* insider, however, said he felt the *Penthouse* reductions were caused by a lack of promotional efforts by the company in view of the fact that the cover price increased from $2.50 to $3.

Three other media properties are money-makers. *Omni,* a newsstand science magazine, brought out in 1978, has recouped its $6 million start up costs and is now making a profit, with monthly circulation at a healthy 785,000. A syndicated spin-off television show, "Omni—The New Frontier" was shown in 68 markets (mostly on ABC affiliate stations) last season. The program may be extended into hour-long specials and children's shows, said Penthouse executive vice-president, David Myerson.

Forum, a digest-size monthly started in 1967 to handle the overflow of letters from *Penthouse,* has had a steady circulation of 620,000. And the harder core, *Variations,* has a steady following of 200,000.

Despite these successes, three other magazines started by Penthouse failed, taking millions with them. After five years and $14 million in losses, Guccione folded *Viva* in 1978. After only a year and reported losses of $1 million each, *Lords,* a men's fashion quarterly started in 1967, and *Photoworld,* published in 1970, folded.

The company was recently embroiled in a $522 million libel suit brought against it by the owners of Rancho La Costa, a California resort that *Penthouse* alleged in a 1975 article to have ties to organized crime. After a five-month trial, which yielded 23,000 pages of testimony and involved 100 witnesses, the magazine was exonerated on all counts by a Compton, Cal., superior court. The verdict was an expensive one for Penthouse, nonetheless, as it cost the company nearly $10 million to defend itself. Penthouse regularly spends nearly $8 million a year to defend and prosecute a host of other lawsuits, according to Mr. Myerson.

Last year, a Wyoming judge awarded Kimberli Jayne Pring $26.5 million (later reduced to $14 million) in damages. Ms. Pring, a former Miss Wyoming claimed she was libeled by a *Penthouse* story about a fictional holder of the same title. The case is on appeal. "An unfavorable judgement in either La Costa or Pring could bring the company down," said a Penthouse insider before the La Costa decision.

While Penthouse is deemed financially healthy, according to a Dun & Bradstreet credit report, new interests are threatening to strain its resources. Two Atlantic City properties bought in 1978 for about $50 million in cash have lain dormant awaiting $100 million in funds from private investors to finish what will be a hotel-casino. "They [Penthouse] are losing the earnings they could have made if they had invested properly," said a Penthouse financial source. Mr. Guccione himself has claimed in the press that the investment is troubling his company. Playboy has said it intends to appeal a decision that would terminate its own relationship with a New Jersey casino.

Penthouse also contributed at least $40 million to California-based INESCO, International Nuclear Systems Organization for research and development into an alternate energy source. The company plans to give INESCO $12 million this year even though it is not expected to produce any revenues for years to come.

What was expected to be a large asset for Penthouse, PET Network, has yet to get off the ground. The cable channel, which was to be a 12-hour, seven-day-a-week tv version of the magazine was billed to start last October. Playboy's "Playboy on Escapade," a similar idea but with monthly programing, started in January, 1982.

Still another draw on company funds is a $30 million film now in pre-production, "Catherine the Great," the second in a trilogy following "Caligula." Penthouse is considering the release of a film, "The Making of Caligula." "It's in a negative cash flow position. It can't sustain those interests," said the financial source.

All of these projects were supposed to be managed by the first reported president the company has ever had, other than Mr. Guccione, Mark Meagher. Mr. Meagher, former president of the Washington Post Co., signed on with Mr. Guccione in April, 1981, and left eight months later, giving weight to the company's reputation as a "revolving door." "I left because I didn't have the freedom to do what I was assured I'd have the freedom to do," says Mr. Meagher. David Myerson, an attorney, who is executive vp and who has had a 10-year relationship with Mr. Guccione has assumed day to day operations.

Frequent staff changes have led to an internally troubled organization. "Everyone lives in mortal fear they will be fired, every minute of the day," said a former editor who asked not to be named. However, several members of the Guccione family remain. Mr. Guccione's father is secretary-treasurer, his sister, Jeri Winston, is a senior vp and his daughter runs the West Coast ad sales office. His eldest son, most recently circulation director, periodically wafts in and out of the company.

Though no site has been selected, Penthouse plans to move from its mid-Manhattan headquarters when the rent doubles at the end of the year.

MEDIA PROPERTIES

Magazines

Penthouse, Forum, Omni, Variations.

OTHER OPERATIONS

Apex Properties, Boardwalk Properties, International Nuclear Systems Organization, "Omni—The New Frontier" syndicated tv show, Penthouse Entertainment Network, Penthouse Films, Penthouse International Books, Evelyn Rainbird Ltd. (mail order).

Petersen Publishing Co.

Petersen Publishing Co., Los Angeles, is the country's 67th largest media company with media property revenues of $120 million, a 9.1% increase over media revenues of $110 million in 1980. Total corporate revenues are not available, although company officials say media operations account for something less than 90% of total revenues. Petersen said last year was the best in its history.

The company's media revenues come primarily from special-interest magazines.

The privately owned company, which has interests in real estate, restaurants and art galleries, as well as media, is seriously considering its first expansion into broadcasting and the new video technologies.

In 1981, Petersen formed a six-member corporate development committee to guide company expansion into broadcasting and the new video technologies. Included on the committee are company president Frederick Waingrow and several Petersen publishers and executives.

So far in 1982, Petersen is pursuing an expansion strategy of adding new titles in subject areas in which it is already entrenched. It is doing this through acquisition and internal development.

In January, Petersen acquired *Pick Up, Van & 4WD* from CBS Publications. The first issue under the Petersen banner was published in April.

In the fall, Petersen is slated to introduce two new monthly special-interest publications—*Petersen's Video World* and *Circle Track.*

Both magazines were conceived as one-shot magazines through Petersen's specialty publications division, but because of strong response the company decided to launch them as monthly publications.

Petersen's Video World is to cover a wide range of subjects within the home video field, including videocassette recorders, videodiscs, cameras, games, personal computers, software and accessories. The first issue is scheduled to have a December cover date, and should be on newsstands Oct. 26.

Circle Track is designed to

It fits . . .

DORIS DEAN HAPPY BIRTHDAY CINDY. A FRONT PAGE LADY EVERY DAY.—ADVT.

LOST: Monday, April 5th, in taxi, ceiling covered with famous people's autographs. Red cotton bag, "Dorothee Bis" label. Contains jewelry, great sentimental value. REWARD: call 940-4226.—ADVT.

FOR THOSE FAVORING CREMATION WOODLAWN Cemetery offers a free pamphlet giving complete information call 212-882-2100—ADVT.

WANTED: Woman executives who read romance novels. Call Dorothy 92'-6840.—ADVT.

FOR THOSE PREFERRING ABOVE-GROUND entombment Woodlawn cemetery offers an informative brochure. Call 212-882-2100—ADVT.

DEAR ALICE: HERE WE GO AGAIN. THIS TIME please try to keep the liberties civil. Love, Chet.—ADVT.

IF YOU LOOK LIKE MARILYN MONROE CONtact Stevens 212-356-5049. Contest, 51st Street, Sam Goody, April 3rd, 3 P.M.—ADVT.

HOW TO WIN A FAIR DIVORCE! . . . and still get the best possible settlement. Read *The Divorce Handbook* by James T. Friedman—the most complete, up-to-date book on divorce in print. $12.50. Random House—ADVT.

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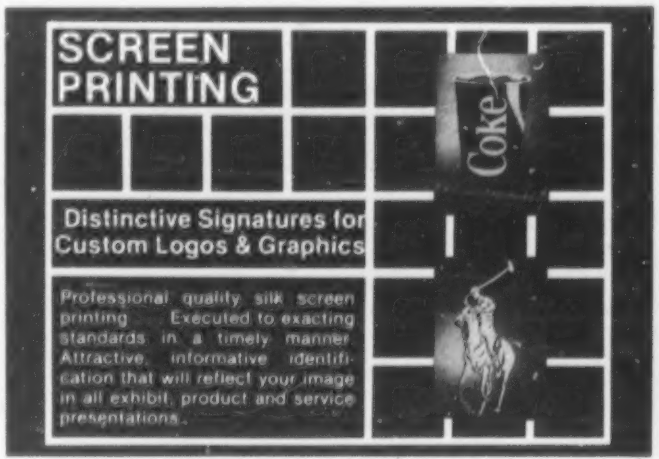
Ev- Our 730 day honeymoon thrives everywhere together or apart. May it last forever!! Love Jack.—ADVT.

"MUPPET LOOK-A-LIKE CONTEST." SEND PHOTOS (not-returnable) to Muppets, 50 East 54th St. NYC 10022.—ADVT.

Front page reading from the New York Times.



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appeal to oval-track racers and enthusiasts. Its first issue is to feature an October cover date and be available Sept. 14.

In addition, Petersen plans to increase the number of one-time issues it publishes. New one-shots would include all areas of Petersen interest, plus others.

Mentioned in the past as possible subjects for single issues are audiovisual, home entertainment and home computers. Petersen is also interested in the sports field, particularly baseball, football and hockey, for possible one-time issues.

Petersen's Mr. Waingrow has indicated that the company has received numerous inquiries from public and cable tv operators concerning the possibility of using Petersen-generated material for programing.

While Detroit's troubles triggered a sales slump in 1980 for Petersen's two biggest titles, *Hot Rod* and *Motor Trend*, 1981 was different. Advertising sales for Petersen's auto group increased in 1981.

So far in 1982 Petersen has experienced a 20% increase in total advertising revenues over the strong 1981 figures.

There were several key personnel shifts among Petersen's top management over the past year.

Don Williams, former head of advertising at B.F. Goodrich's tire group, who became publisher of *Motor Trend* in 1981, left the company after only a few months to join Campbell-Ewald, Detroit, on the Chevrolet account. Brian Van Mols, former publisher of CBS Publications' *Cycle World*, succeeded Mr. Williams. Also moving at *Motor Trend* was former executive editor Tony Swan, who became editor. Mr. Swan took the place of John Dianna, who was promoted to publisher of Petersen's *Car Craft*.

Harry Hibler, former *Car Craft* publisher, became publisher of *Hot Rod*.

Dick Van Cleve, former *Hot Rod* publisher, moved to national ad director of Petersen's specialty publications division. Lee Kelley, former editor of *Hot Rod*, became publisher and editorial director of the specialty publications division.

Following the acquisition of *Pick Up, Van & 4WD*, Mike Anson, publisher of *Petersen's 4-Wheel & Off-Road*, was given the additional responsibilities of publisher of the acquired magazine.

Petersen is continuing efforts to build circulation of its automotive titles in 1982 with a sweepstakes in which the grand prize is a DeLorean sports car.

Despite the uncertain future of the U.S. auto industry, Petersen's automotive group is considered by some to be in a strong position if Detroit shifts from a mass-marketing strategy to a more targeted one. Some experts expect the U.S. auto makers to place more emphasis on wooing the hard-core auto enthusiast through special-interest media in the future.

MEDIA PROPERTIES

Magazines

Car Craft, Guns & Ammo, Hot Rod, Lakeland Boating, Motor Trend, Motorcyclist, Petersen's 4-Wheel & Off-Road, Petersen's Hunting, Petersen's Photographic, Pick Up, Van & 4WD (effective January, 1982), *Rudder, Sea & Pacific Skipper, Skin Diver, Teen.*

Pittway Corp.

Pittway Corp., Northbrook, Ill., is the country's 80th largest media company, with 1981 media property revenues of $86.3 million, all from the company's Penton/IPC subsidiary, headquartered in Cleveland.

Media accounted for 75.9% of Penton/IPC's total revenues of $113.7 million. The remainder comes from graphic services (5.2%), marketing and editorial services (18.9%).

Penton/IPC's revenues accounted for 28% of publicly owned Pittway's total revenues of $403.6 million in 1981. The subsidiary published 27 trade magazines in 1981.

Last year was the best ever for Penton/IPC, said Thomas L. Dempsey, Penton/IPC chairman and ceo and Pittway vp. "Twenty-six of our 27 magazines were up in advertising dollars and 25 were up in profits," he said. Mr. Dempsey's figures do not include the company's new *Computer-Aided Engineering*, which was launched last fall.

Mr. Dempsey added, "When business is off, companies must advertise to compete more effectively. Most of our magazines are the leaders in their fields. When advertising dollars are tight, most people will concentrate on the No. 1 publication."

Nineteen magazines recorded gains in ad pages and ad revenues in 1981. The best performers were *Used Equipment Directory, Machine Design, Material Handling Engineer, Progressive Architecture, Heating/Piping/Air Conditioning, Industry Week* and *Precision Metal.*

Advertising dollars continued up in the first quarter this year, but total ad pages were down by about 1%, Mr. Dempsey said. He said he sensed a further softening in ad pages for the rest of the year. "When the squeeze gets too tight, it affects everyone," he said.

In spite of slightly fewer ad pages, Penton/IPC anticipates a strong year in 1982, with the help of the new Computer-Aided Engineering, which began regular bimonthly publication in February, 1982.

"We expect an excellent year," Mr. Dempsey said. "But the economy is too mixed to predict specific results."

MEDIA PROPERTIES

Magazines

Air Conditioning & Refrigeration, Air Transport World, Chemical Engineering Catalog, Computer-Aided Engineering, Energy Management, Foundry, Government Product News, Handling & Shipping Management, Heating/Piping/Air Conditioning, Hydraulics & Pneumatics, Industry Week, Lodging Hospitality, Machine Design, Management Personal Time, Material Handling Engineering, Materials Engineering, Modern Office Procedures, New Equipment Digest, Occupational Hazards, Power Transmission Design, Precision Metal, Production Engineering, Progressive Architecture, Restaurant Hospitality, School Product News, Used Equipment Directory, Welding Design & Fabrication, Welding Distributor.

Other media

Direct-response cards, directories, annuals, special publications.

OTHER PROPERTIES

C&A Investments, Curtin & Pease (mail marketing), Fluid Power Show, list sales, market research, Mail-Tel Service, Penton/IPC Press (graphic service), Penton Learning Systems, Pittway Real Estate, Power Transmission Show, Rick Reinert Productions (motion pictures and animated films), Saddlebrook Resorts.

Playboy Enterprises

Playboy Enterprises, Chicago, is the 53rd largest U.S. media company, with media property revenues of $156 million in fiscal 1981, ended last June 30. This amounted to 41% of total revenues of $388.9 million. Nonmedia revenues came from gaming, clubs and hotels and other businesses. Total profits for the year were $14.34 million.

Media revenues for the 1980 fiscal year were $162 million out of total corporate revenues of $363.2 million.

Playboy is in a tumultuous period of transition. Once a "leisure time" company built around a successful magazine, in recent months it has been stripped of virtually all interests but that magazine.

Denied the revenues from its United Kingdom gaming operations (sold in November following a long licensing battle) and its application for licensing of its Atlantic City hotel and casino (though it is appealing this ruling) and currently divesting itself of a number of unprofitable properties (such as several resorts and its book division), Playboy is reshaping itself as a communications company.

Also gone from the company is former president and chief operating officer Derick J. Daniels, who a few months ago turned over the reins to chairman Hugh Hefner's 29-year old daughter, Christie. With the company in various capacities for seven years, most recently as corporate vp, Ms. Hefner is now president. Appointed to a newly created office of the president along with Ms. Hefner were executive vps Marvin Huston and Richard Rosensweig.

Now heavily dependent for cash on *Playboy* magazine, the company is expected in fiscal 1982 to report its first loss since 1962.

Earnings for the magazine division fell more than 50% in fiscal 1981 to $6.02 million, from $14.74 million in 1980. The company attributed the decline to $4 million in losses from *Games*, a decline in *Playboy's* newsstand sales, thanks to a lack of sell out covers, and losses from *Oui*, which was sold for a reported $2 million just before the end of the fiscal year.

The company has projected a 20% increase in earnings for the magazine division in fiscal 1982, which ends June 30.

In its new form, Playboy is focusing its attention on expanding its publishing base and pursuing the video industry with a stable, if mature, Playboy magazine as the core. On the lookout for acquisitions, magazine division group vp Nat Lehrman said he is interested in small "life style" magazines with loyal followings which could benefit from Playboy's distribution strengths and financial resources.

Mr. Lehrman pointed to *Games* as an example of the type of property he is interested in. *Games*, which had a circulation of 200,000 when it was acquired in 1978, now has newsstand distribution of 675,000. It will go from every other month to monthly in September, and is expected to become profitable in 1983.

The division also continues to experiment with the *Playboy Guides*, one-shot magazines with expanded coverage of topics of interest to *Playboy* magazine. Thus far the *Guides* have met with mixed success, but the company believes they are a good way of exploring publishing opportunities without heavy upfront investment.

Mr. Hefner's personal interest in the publishing business, as opposed to his relative lack of interest in nonpublishing ventures, is expected to help the magazine division.

In the video area, Playboy is an equal partner with Rainbow Programing Services Co. in an adult programing service called Escapade, slated to become the Playboy Channel when Playboy-produced material exceeds 50%.

The company so far has produced four one-hour video versions of *Playboy* magazine, complete with interviews, movie and music reviews and Playmate segments. It is planning to produce four hours of programing a month by the end of the year.

While even Hugh Hefner is said to be disappointed to date with the company's efforts to transfer the quality of *Playboy* magazine to the screen, Escapade, according to the newsletter, "Cable TV Programming," has an edge over competing adult-oriented cable ventures. Escapade has more than 200,000 subscribers, compared to 125,000 for Private Screenings and 100,000 for Eros.

Playboy also has an agreement with ON TV, through which the subscription television service will distribute one hour of Playboy programing a month beginning this month.

MEDIA PROPERTIES

Magazines

Playboy, Games, Playboy Guides.

OTHER OPERATIONS

Cable programing venture with Rainbow Programming Services, licensing, Playboy Clubs.

Post Corp.

Post Corp., Appleton, Wis., is the country's 88th largest media company, with revenues of $73.2 million in 1981 from its media properties. The company's commercial printing operation, which was its brightest performer in 1981 and in the first two quarters of 1982, accounted for an additional $9.98 million, bringing total corporate revenues to $83.2 million.

Revenues for the company were up slightly compared with 1980, but earnings in the first quarter of 1982 are below earnings in the first period of 1981. V.I. Minahan, president of the publicly held company, attributes the tough going to the sluggish economy.

In 1981, the broadcast division had a particularly difficult struggle as advertising revenues fell. Although the company doesn't break out revenues from each of the divisions, Mr. Minahan characterized the broadcasting division results as "sharply lower" than in 1980.

Selling of a 12-paper suburban newspaper chain outside Milwaukee in May, 1981, and the settlement of a 10-month strike at Transcript Newspapers in suburban Boston helped the earnings of the publishing division. The *Post-Crescent* of Appleton, Wis., was the lead performer in Post's stable of newspapers.

There was relatively little action in terms of acquisitions during the past year. As Mr. Minahan said, "we've adopted a wait and see attitude until something moves in the economy." Post Corp. has been cautious because of small profits during the past two years.

In the first quarter of 1982, the newspaper's operating profit dropped 20% below that of first-quarter, 1981, because of poor advertising revenues and stiff competition in a few key markets. Commercial printing played a critical part in maintaining the company's over-all financial health and stability. In the first quarter of 1982, the division posted a 164% increase over last year's first quarter.

The Post Corp. appointed three new general managers of company properties. Thomas L. Gagnon became the general manager at WLUK-TV, Green Bay, Wis; Guy Spitsberg joined WLUC-TV as general manager; and Roy F. Valitchka II was named general manager of the *Twin City News-Record*, Neenah-Menasha, Wis.

MEDIA PROPERTIES

Newspapers (dailies)

MASSACHUSETTS: *Dedham Daily Transcript, Waltham News-Tribune.* WISCONSIN: *Appleton Post-Crescent, Twin City News-Record* (Neenah/Menasha), *West Bend News.*

Newspapers (nondailies)

ILLINOIS: *Granite City Press Record.* MASSACHUSETTS: *Collinsville Herald, Newton Graphic, Parkway Transcript, West Roxbury Transcript.* OHIO: *Bedford Sun-Banner, Brunswick Sun Times, Chagrin Valley Herald Sun, Euclid Sun*

Journal, Garfield-Maple Heights Sun, Lakewood Sun Post, Medina Sun Sentinel and News Sun, Parma Sun Post, Solon Herald Sun, Strongsville-North Royalton Sun Star, Sun Courier, Sun Herald, Sun Leader Journal, Sun Messenger, Sun Press, Sun Scoop Journal, West Side Sun News.

Broadcasting

TELEVISION: WLUC-TV, Marquette, Mich.; WTVO-TV, Kirksville, Mo.; WOKR-TV, Rochester, New York; WEAU-TV, Eau Claire; and WLUK-TV, Green Bay, Wis.

RADIO: KBIZ (am), Ottumwa, Ia.; WAVY (am), Chippewa Falls, and WAXX (fm), Eau Claire, Wis.

Providence Journal Co.

The Providence Journal Co., Providence, R.I., is the nation's 66th largest media company, with estimated 1981 revenues from media operations of $121 million. The remaining operations of the company added $141 million for a total of $262 million.

The privately owned company publishes two daily newspapers and has substantial broadcasting and cable tv interests. Beginning in June, it plans to publish two electronic newspapers.

The combined circulation of the dailies—the morning *Providence Journal* and the *Evening Bulletin*—is 219,440, according to March, 1982, Audit Bureau of Circulations figures. The *Sunday Journal*, one of the oldest Sunday publications in the region, has a circulation of nearly 239,000. The total circulation of the three places them second only to the *Boston Globe* in the New England market.

The three newspapers employ a staff of 125 out of Providence, a Washington bureau and 12 other regional offices. During the last year they have been honored for their national as well as international reporting and have received numerous national and regional awards.

The broadcasting operations of the company are served by Providence Journal Broadcasting, a fully owned subsidiary. The company operates the all-news WEAN-AM as well as the top-40 WPJB-FM in Providence. WEAN employs the largest broadcasting news staff in southern New England and is one of the top-rated news stations in the country. The company also owns WPHL-TV, an independent tv station in Philadelphia that has the broadcast rights to the Philadelphia Phillies baseball games.

The Journal Co. has also established a firm presence in the cable tv field through its ownership of Colony Communications, the 29th-ranked multiple systems operator in the industry. Colony operates 52 franchises in seven states—Rhode Island, Massachusetts, Vermont, New York, Pennsylvania, Florida and California. It has 151,000 basic service subscribers and another 150,000 who subscribe to its pay offerings. Colony also operates a multipoint distribution system—over-the-air pay unit—which transmits Home Box Office programs to more than 21,000 subscribers in Boston, Springfield and Providence.

During the last year, Colony has increased the variety of entertainment and nonentertainment services offered through its systems. The most prominent addition has been "Movietime," a 24-hour, advertiser-supported movie channel that is offered free to cable subscribers in the Providence-New Bedford ADI. "Movietime" is also offered free to other cable operators in the area. The channel currently reaches 40,000 subscribers, reports Roger Turner, Colony's vp and director of operations. He expects nearly 200,000 subscribers to be receiving it by the yearend.

Many of Colony's cable systems produce their own news programs, including several in Spanish and Portuguese. A few have been nominated for and awarded the cable industry's ACE awards.

In the nonentertainment area, the Hialeah franchise has started to offer a security channel, while Play-Cable, a video games channel, is being offered in Beacon, N.Y. Play-Cable is received by nearly 40,000 subscribers.

Colony is making an aggressive attempt to develop additional revenue streams out of its experience with the new communications technologies, reports Mr. Turner. The company has begun to design institutional networks for clients such as IBM, Wang Laboratories and the Woods Hole Oceanographic Institute, including communications and teleconferencing systems.

Beginning in June, Colony Electronic Information Systems, a subsidiary of Colony Communications, will publish two 24-hour electronic newspapers, using the Telidon Videotext technology. The newspapers will be available on Colony cable systems as well as contiguous ones in the Providence-New Bedford area.

The company has also established a new division of broadcast sales to actively pursue cable advertising sales. The division sells local time on advertiser-supported channels such as CNN, ESPN, MTV and USA, as well as some of the locally produced channels, and received more than $1 million in revenues in 1981.

During 1981-82, Colony had a number of significant personnel changes. Donald M. Olson, formerly with Newhouse Broadcasting in Birmingham, Alabama, was appointed director of broadcast sales, while Dave Donnelly became director of Colony Electronic Information Systems. Another appointment was that of Doug Truckenmiller as director of engineering.

MEDIA PROPERTIES

Newspapers

RHODE ISLAND: *Providence Evening Bulletin, Providence Journal.*

Broadcasting

TELEVISION: WPHL-TV, Philadelphia.

RADIO: WEAN (am) and WJPB (fm), Providence, R.I.

Cable/video

CALIFORNIA: Harbor City, San Pedro, Wilmington. FLORIDA: Hialeah-Coral Gables (88.89%). MASSACHUSETTS: Fall River (84%), Falmouth (90%), Lowell, New Bedford (86%), Woburn. NEW YORK: Beacon, Hyde Park, Lloyd, Monroe, Poughkeepsie. PENNSYLVANIA: Homestead. RHODE ISLAND: Hopkinton, Westerly. VERMONT: Bennington. Multipoint distribution systems—MASSACHUSETTS: Boston, Springfield. RHODE ISLAND: Providence.

OTHER OPERATIONS

Providence Gravure.

Pulitzer Publishing Co.

Pulitzer Publishing Co., St. Louis, is the country's 40th largest media company, with 1981 revenues estimated by AA at $197.4 million, all from media sources. The company is privately owned, with the majority of stock held by the Pulitzer family.

Revenues from Pulitzer's two radio stations, five tv stations and two newspapers reportedly held steady in 1981.

Pulitzer Productions, a fledgling electronic information subsidiary, took a cautious step into video software. "Right now we're just dipping a toe in," a company official said.

The *St. Louis Post-Dispatch*, Pulitzer's largest revenue producer, is still the company centerpiece and seems destined to remain so, although it has been hurt financially by labor troubles and stiff competition from a thriving suburban press.

It leaped one of these hurdles in 1981 when the paper moved last fall to get its unions to sign 42-month contracts agreeing to an 18-month wage freeze followed by incremental raises for the remainder of the contract period.

In addition, it won a long-running battle with unions over mailroom staffing. As a result of the concessions gained and the need to compete more effectively with Suburban Newspapers of Greater St. Louis, a powerful free-weekly publisher that blankets most of the market, the *Post-Dispatch* recently rolled out the first phase of a blanket-coverage program that drops advertising supplements on 486,000 doorsteps on the Missouri side of the Mississippi River every Tuesday. Officials expect to distribute up to 600,000 supplements weekly on both sides of the river by yearend.

The supplement, called "Wednesday Bargain," is delivered with the *Globe-Democrat* to that paper's subscribers and separately to nonsubscribers. Currently, the *Post-Dispatch* offers 12 separate market segments to advertisers and plans to offer 40 to 50. A broadsheet usually carrying 16 pages and containing seven inserts, the supplement "has been a success, although marginally profitable," said Nicholas Penniman, Pulitzer assistant general manager.

The paper leaned hard on its unions to get the favorable settlements, but company officials claim the wage freeze and other cost-cutting measures have begun to put the paper on a more solid footing. Industry observers generally agree that the paper is in better health than it was a year ago.

Mr. Penniman called the guarantee of labor peace through early 1985 "an enormous benefit for a paper with the history of labor problems we've had." Strikes closed the paper for several weeks in 1973 and 1978-1979, resulting both times in substantial losses of circulation and advertising.

After the 1979 strike, the afternoon *Post-Dispatch* and morning *Globe-Democrat*, owned by Newhouse Newspapers, merged business functions. Editorial departments continue to operate separately, with the editorial pages often espousing opposite political views.

Pulitzer controls the operating agency and handles accounting, circulation and advertising for both papers. It also owns the presses on which the papers are printed. Advertising for the two papers often is sold in combination, and the papers split profits and losses equally.

The biggest problem facing the *Post-Dispatch*, as well as the *Globe-Democrat*, still festers: St. Louis' weak economy. "Our want ad index indicates the depth of the problem," Mr. Penniman said. At last count, he said, it was down to half of what it was in 1967, the steepest falloff outside Detroit.

In response to the economic problems in its home base, Pulitzer is trying to balance its St. Louis newspaper holdings with media properties in more prosperous locales. Several years ago, it swapped its St. Louis radio station for an am-fm combination in Phoenix.

Now it's trying to swap its St. Louis tv station for a couple of Sunbelt stations. Pending Federal Communications Commission approval, Pulitzer will trade KSDK-TV to Multimedia Inc. for WFBC-TV in Greenville, S.C., WXII in Winston-Salem, N.C. and $8.5 million in cash. Pulitzer would then own six tv stations and would have to divest one under current FCC rules.

The company's entry into video technology remains quite tentative. Pulitzer Productions is making the *Post-Dispatch's* classified ads available to subscribers with home computers, but demand so far is light.

In a joint venture, a Pulitzer Productions subsidiary and multifaceted Indian Head Inc., New York, acquired Washington-based States News Service, which produces stories from the capital for client newspapers, currently about 70 in 16 states. The *Post-Dispatch* is essentially the news arm of States News Service while Indian Head provides the technical expertise.

"We're not going to leap far beyond our traditional lines of business, but this is a logical evolutionary extension of the kind of thing we already do," Mr. Penniman said.

MEDIA PROPERTIES

Newspapers

ARIZONA: *Arizona Daily Star* (Tuscon). MISSOURI: *St. Louis Post-Dispatch.*

Broadcasting

TELEVISION: KSDK-TV, St. Louis; KETV, Omaha, Neb.; KOAT-TV, Albuquerque, N.M.; WGAL-TV, Lancaster, Pa.; WLNE-TV, Providence, R.I.

RADIO: KKLT (fm) and KTAR (am), Phoenix, Ariz.

News Service

States News Service, Washington.

Cable/video

Pulitzer Productions.

RCA Corp.

RCA Corp., New York, is the third largest media company, with media revenues of $1.62 billion in 1981—all from National Broadcasting Co.—out of total revenues of $8.004 billion. In 1980, RCA had media revenues of $1.52 billion and total revenues of $8.011 billion.

In the last year, there has been speculation that RCA isn't in the broadcasting businesss to stay, but Thornton Bradshaw, RCA chairman, assured NBC-TV affiliates at their annual convention in Los Angeles in May that NBC is "not for sale." Besides its tv network and owned-tv stations, NBC owns two radio networks and several radio outlets.

Speculation about RCA's possible move out of broadcasting has been fueled partly by the company's profit woes. Net income plummeted 83% last year to $54 million from $315.3 million. National Broadcasting Co.'s profits fell 36%. The NBC decline was blamed on write-offs of shows and made-for-tv movies from the Fred Silverman era, lower prices due to sluggish ratings, chiefly in prime time and daytime, and higher program production costs. In addition, news division expenditures were higher than usual because of coverage of the hostages' return from Iran, the attempted assassinations of President Reagan and the Pope and other unexpected events. The royal wedding in England was another costly event to cover, although one that posted higher ratings for NBC than for its rivals, NBC claimed.

Mr. Bradshaw told shareholders earlier this year that broadcasting was one of three company businesses suffering "major declines" in profits last year, along with picture tube production and transportation services. Despite the earnings slump, Mr. Bradshaw said that not only is NBC not on the block, but "I don't know how RCA could get on without NBC, or vice versa," as the parent sets out to become "the lead company in communications, entertainment and electronics" within the next few years. RCA, he added, plans to reach that goal by "staying on the main road" and avoiding "side roads," the latter referring to such diversifications as Hertz Corp. and Coronet Carpet Co., both of which Mr. Bradshaw now plans to "get rid of."

Past RCA management failed

to recognize that "RCA's future is right in our own backyard, the electronics, entertainment and communications business," he added.

Grant Tinker, NBC chairman, said that sports, news, late night, early morning and as of this past season Saturday morning children's fare are "not part of the problem," since "in all those areas, we are solid and competitive." NBC-TV's third-place prime time and daytime offerings, on the other hand, are not only "not competitive" but "just plain dismal."

Robert Mulholland, NBC president, added that NBC has "a long way to rebuild" in both of these time periods. Part of the network's problem has been the past policy of "jerking around the schedule," so Mr. Tinker promised affiliates and, indirectly, sponsers, "a stability of schedule" not seen at NBC for many years. Network president Raymond Timothy and NBC entertainment chief Brandon Tartikoff emphasized the small amount of time shifting there will be among series returning this September.

This stability also is meant to appeal to the creative community, since Mr. Tinker wants the best talent available. Toward that end, he already has expressed interest in any new series concepts from the creators of the series, "Taxi," canceled by ABC and picked up by NBC, and of the "Lou Grant" CBS series.

While describing NBC's report card as "not all straight A's" and the 1981-82 prime time season "less than dazzling," Mr. Timothy saw encouraging signs, including the fact that NBC finished second in the prime time Nielsens for Monday through Thursday, edging CBS (which then went on to clobber NBC the remaining nights). For the 28-week season ended April 18, NBC averaged a 15.2 homes rating versus frontrunner CBS' 19 and No. 2 ABC's 18.1.

With regular series as its "backbone," NBC also plans a steady, virtually once-monthly diet of miniseries in 1982-83, with Mr. Tartikoff having penciled in "Little Gloria" for October, "The Executioner's Song" for November, the repeat of "Shogun" for January (leading into the February sweeps, instead of into the fall season, as initially planned) and "Princess Daisy" for the May sweeps.

NBC's most popular program last season, "Real People," ranked 22nd with a 19.7 rating and 30 audience share, followed by longtime NBC leader "Little House on the Prairie" at 24th; "Little House" drew top dollar last fall on NBC, $135,000 for a 30-second spot, followed by "CHiPs" and "Diff'rent Strokes." The other big NBC prime-time hits in the just-ended season were "Facts of Life," the NBC Monday movie, "Strokes" and the freshman "Love, Sidney," all within the top 40. NBC's most popular newcomer, "Maverick," was not renewed because it was deemed too male-oriented, NBC said.

In daytime too, NBC faces quite an uphill battle to catch No. 2 CBS. "Days of Our Lives" remains NBC's top-rated show, now that "Search for Tomorrow" has lost some of its momentum since Procter & Gamble switched it to NBC from CBS earlier this year. Come fall, NBC will bank on "Fantasy," an escapist game show hosted by Peter ("Hollywood Squares") Marshall, bridging the 3 to 4 p.m. (ET) gap between the end of the network afternoon block and local stations' newscasts.

In evening news, NBC is closer to CBS than it has been in five years, according to Mr. Timothy, with the Tom Brokaw/Roger Mudd co-anchor team improving on John Chancellor's scores as CBS' Dan Rather dips. The network president hopes to keep that momentum going through the summer, aided by an 11-week promotional push, using $35 million in network air time in all dayparts as of June 1. That will be followed by another local/national news push in March/April.

The network's prime-time promotional surge, using the theme "Just Watch Us Now," will begin July 15, with NBC offering greater than ever localization of the national theme for affiliates.

Also in news, NBC News boss Reuven Frank indicated "a willingness to experiment" in both use of technology and show scheduling, since "our audience is changing." On July 5, NBC will begin "Early Today" as a lead-in to "Today" (with stations able to carry it either at 6 a.m. or, preferably, 6:30 a.m.), "NBC News Overnight" at 1:30 a.m., and also Affiliate News Service (or A-News) as a news capsule feed five days weekly starting in September (and seven days eventually). All this activity should make NBC more competitive vis a vis Cable News Network and CNN2, industry sources said. However, to help defray the costs involved in providing A-News, NBC is taking an additional 30-second spot in each evening newscast starting in September, something which the affiliates only grudgingly approved.

The network, moreover, has been notching gains among young adult viewers for "Today," "Tonight," daytime shows and "SportsWorld," which NBC described as the fastest-growing sports anthology. While "Today" is down slightly from a year ago, it still is attracting the second largest number of homes in its history, Mr. Timothy added.

NBC boasted that the local newscasts of its owned stations score highly with viewers with annual incomes of $30,000 and up. The tv stations division posted record sales and profits last year.

The company reported that its eight owned radio outlets scored ratings gains; in New York alone, WNBC (am) and WYNY (fm) are high on the ratings lists, quite a turnaround from their cellar-dwelling days of just a couple of years ago. The 369-affiliate NBC Radio Network outdelivered its competitors in listeners, NBC continued, and The Source, its young adult net, is scoring well among 18 to 34 year olds via 183 affiliates.

Like ABC and CBS, RCA and NBC are exploring the new technologies, with parent RCA most actively involved at present.

Mr. Tinker indicated that, as a matter of priorities, he is more interested in putting NBC-TV back on track than in being diverted by catv and home video ventures.

MEDIA PROPERTIES
Broadcasting

TELEVISION: NBC-TV Network. NBC-owned stations: KNBC-TV, Los Angeles; WMAQ-TV, Chicago; WKYC-TV, Cleveland; WNBC-TV, New York; WRC-TV, Washington.

RADIO: NBC Radio Network, The Source network. NBC-owned stations: KNBR (am) and KYUU (fm), San Francisco; WMAQ (am) and WKQX (fm), Chicago; WNBC (am) and WYNY (fm), New York; WRC (am) and WKYS (fm), Washington.

OTHER OPERATIONS

Entertainment Channel (catv) with Rockefeller Center TV, RCA/Columbia Pictures International Video (home video), SelectaVision videodiscs and videocassette recorders, consumer electronics division, RCA Americom (satellites), RCA Records, Hertz. CIT Financial Services.

Reader's Digest Assn.

Reader's Digest Assn., Pleasantville, N.Y., is the country's 27th largest media company, with 1981 media property revenues estimated by ADVERTISING AGE at $300 million, or 25% of estimated total revenues of $1.2 billion. U.S. media revenues came from the U.S. edition of *Reader's Digest* and from the company's short-lived *Families* magazine.

RDA also derives revenues from foreign editions of the *Digest*, book publishing and mail order sales of records and other products.

The company, whose voting stock is controlled entirely by Lila Wallace, widow of founder DeWitt Wallace, had estimated media revenues of $270 million in 1980 out of total estimated revenues of $1.1 billion.

In its sole media business of magazine publishing, RDA once again finds itself with only one product, the *Reader's Digest*, started by Mr. Wallace and his wife in a Greenwich Village basement in 1922. *Families*, the company's first new magazine, started as a monthly amid high hopes and enthusiasm last October. It was called by RDA officials the most-tested new magazine the industry had seen and was considered by company insiders as well as many outsiders to have very little chance of failing.

But after running an average of 53 pages of advertising for the first three issues, Families managed only 14 pages of advertising in the January, 1982, issue, giving stunned RDA officials the first solid indication that the new magazine wasn't a sure winner after all. Advertising rebounded from January, and the February through May issues averaged 35 pages of ads, well down from the late 1981 showing and below expectations.

The greatest problem, however, was attracting readers. The magazine consistently fell short of its guaranteed circulation of 600,000, with single-copy sales, a key early barometer of the magazine's chances, running at half of RDA projections. The poor readership reflected, in the view of some industry followers, *Families'* too-broad target audience and the resulting wide range in editorial matter. In any case, RDA pulled the plug on *Families* with this month's edition.

The experiment with applying the old *Digest* formula—called a "fail safe formula for success" by Richard McLoughlin, publisher of both the *Digest* and *Families*, —cost the company about $15 million, industry sources believe. The failure also helped raise anew doubts about RDA's ability to publish a successful magazine other than the *Digest*, which remains something of an anomaly in an industry where many general-interest magazines give way to specialized magazines with narrower target audiences.

Company followers had speculated that the post-Wallace era (Mr. Wallace died at the age of 91 in April, 1981) at RDA would be characterized by greater willingness to launch new publications. Mr. McLoughlin said last year that the company had a number of new magazines in addition to *Families* under consideration. Now, however, shaken by its *Families* experience, RDA will become even more cautious on expansion, some observers believe. RDA officials have refused to discuss *Families* or their current thoughts on new publications.

The *Digest* itself appears to have peaked in U.S. circulation. Though a company official in 1980 predicted circulation would average 18.5 million copies a month in 1981, circulation is averaging about 17.9 million a month, according to Audit Bureau of Circulations figures for the second half of 1981. Advertising pages in the *Digest* rose 3.5% to 1,271 last year, but thanks to a 9% increase in rates, total ad revenues rose 13% to $112.9 million, placing the *Digest* seventh among all magazines in ad revenues, according to the Publishers Information Bureau.

Through May of this year, the *Digest's* ad pages were down 8.6% to 418.

Last month, RDA named Lynn C. Mapes ad sales manager of the *Digest*, replacing James T. Sheridan, who is taking early retirement as ad sales director July 1. Mr. Mapes had been ad sales director of *Families*.

How much growth the magazine can continue to derive from ad rate increases is debatable, according to some industry analysts. The *Digest's* current rate of $97,700 for a four-color page is already the highest in the industry, and there is speculation that some advertisers might balk at *Digest* attempts to break the $100,000 barrier for an ad page.

RDA recently has made some minor moves into other media forms. With Telecom Entertainment, production arm of Benton & Bowles, it has agreed to produce "The *Reader's Digest* Do-It-Yourself" show for the USA Cable Network. In late 1980, RDA acquired 51% of The Source, a computer software company that transmits information by telephone lines to home computer owners. In the middle of last year, the company also formed Syndicated Newspaper Services to syndicate newspaper features based on *Digest* material.

Earlier this year, the company made news in court when the Supreme Court refused to review lower court findings that the *Digest* had broken a 1971 agreement with the Federal Trade Commission not to use simulations of checks or other items of value in sweepstakes promotions. The Supreme Court's refusal to consider the case means that the company must pay a $1.75 million fine assessed by a U.S. District Court. The fine reportedly is the largest ever assessed stemming from an FTC civil action.

MEDIA PROPERTIES
Magazines

Reader's Digest.

OTHER OPERATIONS

Book publishing; The Source (51% interest), a computer software company.

Rogers UA Cablesystems

Rogers UA Cablesystems, Westport, Conn., is the nation's 85th largest media company, with 198i revenues of $77.8 million and operating profit of $26.7 million, all in cable operations, compared with revenues of $54.9 million and operating profit of $14.3 million in 1980. With 569,000 pay subscribers, Rogers-UA ranks as the ninth largest multiple systems operator in the U.S.

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Rogers UA, formerly UA-Columbia Cablevision, was acquired Nov. 19 by a joint venture of Rogers Cablesystems of Toronto (51%) and United Artist Theater Circuit (UATC), the latter buying 49%. Rogers Cablesystems had total revenues of $109.6 million in 1981. Revenues from Rogers UA-Columbia were not absorbed into Rogers Cablesystems because the U.S. company closed its fiscal year before its purchase.

The Rogers and UA-Columbia merger followed a bitter battle in which UATC (UA Columbia's largest shareholder—27.6%) fought repeated takeover attempts by a group led by Dow Jones & Co. and the Knight-Ridder Newspapers. Initially, UA-Columbia had approved a Dow Jones-Knight Ridder $265 million offer to purchase all of the company's stock at $85 a share. In June, however, the offer was terminated and replaced by another merger agreement with a joint venture of UATC and Rogers Cablesystems. UATC contributed another $63 million to bring its holdings in the company to 49%. Rogers paid a total of $152 million for its stake of 51%. The price paid for all outstanding stock was $90 per share.

Before its acquisition, UA-Columbia was a leading cable program supplier. Its USA Network, a joint venture with Madison Square Garden Production, broadcast more than 400 sports events as well as "Calliope," an offering of children's programs, and the "English Channel," a potpourri of British programing. USA Network was available on more than 1,400 cable systems serving 8 million cable subscribers. On Aug. 27, 1981, UA-Columbia entered into an agreement with Time Inc. to sell its joint venture interest for $15 million.

UA-Columbia, at the time of its purchase, also was preparing to spend $5 million to $7 million over the next five years to upgrade all its systems to accommodate at least 35 channels.

The UA-Columbia acquisition comes at an appropriate time for the Canadian parent, Rogers Cablesystems. Even though it is the largest mso in Canada, with 1.4 million basic subscribers, its growth in that country has slowed. Cable in Canada has reached a saturation point, and the potential for rapid subscriber or revenue growth is considered minimal. "The potential revenue per subscriber in the U.S. is far higher than in Canada," explains Bob Francis, senior vp-finance with Rogers. The company has no pay tv license in Canada, which has just opened up to pay tv. Rogers, in fact, lost out in its bid to win the first pay tv license when the Canadian Radio-television and Telecommunications Commission (CRTC) awarded the license to another Canadian company, appropriately named First Choice Canadian.

Rogers, initially known as Canadian Cablesystems, had been active stateside before its purchase of UA-Columbia. Its name was changed when trade relations between the U.S. and Canada began to sour in the later 1970s, adversely affecting the company's hunt for franchises stateside. Another Canadian mso, Maclean-Hunter Cable TV, has faced similar hostility in the U.S. The name change has quelled some of the unfavorable gut reaction attracted by its Canadian base.

The past few years have seen successful franchise expansion on the part of the Canadian parent. In 1979, it acquired a 50% interest in three unbuilt franchises (105,000 households in Southern California). In October, 1980, a partnership in which Rogers had a 50% share was named the winner of the 126,000 home Portland, Ore., franchise. Recently, another partnership with 75% Rogers interest won the 60,000 household, southwest suburbs of Minneapolis.

The company has also bid successfully for a 12,000 household franchise in Orange County. In June, 1981, a subsidiary of Rogers, US Cablesystems, was designated as the successful franchisee in a six-county Southern California franchise. The six cities are contiguous and contain 90,000 households.

The Canadian operation has a wholly owned engineering subsidiary, Cablesystems Engineering, which, among other things, engages in basic research and development on behalf of the company and the cable industry. Another company, Cableshare Ltd., in which Rogers has a 50% interest, provides cable-related data-processing service to Rogers and others.

Rogers Cablesystems also operates several operations peripheral to cable. It provides closed circuit pay tv to approximately 13,500 hotel rooms in Toronto and 1,450 hotel rooms in Vancouver. It also has an ownership interest in a number of noncable pay tv systems in the western U.S.

Graham Savage, vp/investment planning, expects Rogers-UA Cablesystems' revenues to exceed $125 million in 1982. Of this the UA-Columbia systems is expected to have contributed $100 million and the Rogers' U.S. systems another $25 million. The $25 million revenue estimate for the Rogers' cable franchises represents a sharp increase over the revenues from that same segment in 1981 of $10 million. "The reason is that we were still building systems in 1981 and they were not contributing to revenues," says Mr. Savage. Many of the systems under construction are expected to come on line in 1982.

MEDIA PROPERTIES

Rogers Cablesystems, serving Canada in Calgary, British Columbia (Abbotsford, 45%; Coquitlam; New Westminster, 45%; Vancouver; Victoria); also, in Ireland, serving Dublin (Marlin Communal Aerials Ltd., 75%), Waterford (Waterford Cablevision Ltd., 68%).

U.S. Cablesystems, serving CALIFORNIA: Huntington Beach (50%), La Mirada, Rossmoor. MINNESOTA: Minneapolis (southwest suburbs, 75%). NEW YORK: Syracuse (67%). OREGON: Portland (50%).

UA-Columbia Cablevision, serving ARIZONA: Summerton, Yuma, Yuma Proving Ground. ARKANSAS: Bay, Bonanza, Fort Smith, Greenwood, Hackett, Jonesboro, Lake City, Sebastian County. CALIFORNIA: Brawley, Calexico, El Centro, Holtville, Imperial, Westmoreland. COLORADO: Aspen, Basalt, Rifle, Snowmass. FLORIDA: Fort Pierce, Vero Beach. KANSAS: Crawford County, Marysville, Pittsburg. MASSACHUSETTS: North Attleboro, Taunton. NEBRASKA: Beatrice. NEW JERSEY: Allendale, Bloomingdale, Bogota, Butler, Cedar Grove, Clifton, Elmwood Park, Garfield, Glen Rock, Hackensack, Haledon, Hasbrouck Heights, Hawthorne, Hillsdale, Hohokus, Kinnelon, Lincoln Park, Little Falls, Lodi, Maywood, Midland Park, Montville, North Caldwell, North Haledon, Nutley, Oakland, Paramus, Park Ridge, Passaic, Pequannuck, Pompton Lakes, Prospect Park, Ramsey, Ridgewood, Ringwood, Riverdale, River Edge, Rochelle Park, Saddle Brook, South Hackensack, Teaneck, Totowa, Upper Saddle River, Waldwick, Wanaque, Wayne, Washington, West Paterson, Westwood, Woodridge, Wyckoff. NEW YORK: Ardsley, Bellport, Bronxville, Brookhaven, Dobbs Ferry, Eastchester, Greenburg, Lake Grove, New Rochelle, Patchogue, Pelham, Pelham Manor, Scarsdale, Tuckahoe, White Plains. OKLAHOMA: Arkoma, Krebs, McAlester, Muldrow, Ronald, Sallisaw. OREGON: Hermiston, Pendleton, Pilot Rock. TENNESSEE: Fayetteville, Giles County, Lawrenceburg, Pulaski. TEXAS: Balcones Heights, Ballinger, Bexar County, Cibolo, Converse, Fort Sam Houston, Gainesville, Hill Country Village, Hollywood Park, Kirby, Laredo, Leon Valley, Live Oak, Mount Pleasant, Mount Vernon, Miles, Pittsburg, Randolph Air Force Base, San Angelo, San Antonio, Schertz, Selma, Universal City, Windcrest, Winters. WASHINGTON: Kennewick, Pasco.

Where are they now?

(Or, is there life after CBS and NBC?)

	Then	Now
John D. Backe	President, CBS Inc., 1976-77; ceo 1977-80.	President, Tomorrow Entertainment
Jane Cahill Pfeiffer	Chairman, NBC, 1978-80.	Independent communications consultant.
Herbert S. Schlosser	President, NBC, 1974-77; ceo 1977-78.	Executive vp, RCA Corp.
Fred Silverman	President-ceo, NBC, 1978-81.	President, InterMedia Entertainment Co.
Frank Stanton	President, CBS Inc., 1949-71; vice chairman 1971-73.	CBS consultant; director of several companies.
Arthur R. Taylor	President, CBS Inc., 1972-76.	Chairman, president, ceo, The Entertainment Channel.

Winners of the network endurance award:

Leonard H. Goldenson	Chairman, American Broadcasting Cos. since 1972.
Elton H. Rule	President, American Broadcasting Cos. since 1972.

Tenure uncertain:

Thomas H. Wyman	President, CBS Inc., since June 1980.

Reason:

Bill Paley	Chairman, CBS Inc., since September 1927.

Rollins Inc.

Rollins Inc. of Atlanta, whose primary business is in termite and pest control and oil and gas servicing, is the nation's 95th largest media company with operating revenues in 1981 of $62.1 million derived from outdoor advertising, tv, radio and cable.

Total operating revenues of the publicly held, family-controlled company were $455 million. Net income was $44.4 million. Although Rollins' media group represents only 13.7% of total operating revenues, it generates 24% of the corporation's operating income. Media also has the highest profit margin at 29% of Rollins' business segments.

Growth in catv contributed largely to the media segments' own growth in revenues of 13.4% from $55 million in 1980 and the division's increase of 13% in operating income.

Until 1981 Rollins cable activities had been concentrated in Connecticut and in Delaware where the Rollins CableVision system in Wilmington ranked 17th largest in the nation with 61,237 subscribers serviced, according to the National Cable Television Assn.'s October, 1981, statistics.

But during 1981 and early 1982, Rollins won franchises in the smaller cities of Northeast Massachusetts, and in the border region of Southeast Massachusetts and Rhode Island. Under construction in Massachusetts are cable operations in Andover, Dracut, Franklin, Plainville Somerset and Swansea.

In Rhode Island construction is under way at Central Falls, Cumberland, Lincoln, North Smithfield, Smithfield and Woonsocket.

Construction has yet to begin on contracts awarded by city governments in Danvers, Millis, North Reading and Norton in Massachusetts, and in Narragansett, North Kingstown and South Kingstown in Rhode Island.

As these systems mature in Rhode Island/Southeast Massachusetts corridor and in northeast Massachusetts, another 110,000 homes passed will be added to Rollins' 170,000 homes passed in its more mature Delaware and Connecticut markets, says H. Tim Crow, vp-secretary.

The *modus operandi* at Rollins is to solicit franchises in small contiguous markets. This economizes in systems construction because only one head-in is needed per market cluster. Smaller markets also have "more reasonable entry requirements" than the larger cities, says Mr. Crow.

Rollins, unlike many cable operators, has steered clear of joint ventures which often are marriages of necessity, putting expertise with capital. "As a company, our growth philosophy has been to strike a balance between cash users and generators," says Mr. Crow. This philosophy, however, does not rule out any joint ventures that market conditions might require in the future, he said.

However, small markets can be as thorough in their disclosure demands as their larger counterparts. Last year, Rollins came under scrutiny when a local lawyer attempted to bribe a Danvers city official to vote for the Rollins franchise package. The lawyer and a local car dealer were subsequently convicted in a trial late last year in a Boston federal court. Rollins has maintained its innocence all along, claiming the attorney operated independently of company designs. The company had hired a broadcast consultant to represent it in the Danvers bidding, but the broadcast consultant had procured the services of a cable consultant who then hired the lawyer.

"The people of Danvers know us better than that," says Mr. Crow, noting that even with the "bad publicity" accompanying the trial, the Danvers city leaders voted unanimously (in late April, 1982) for the Rollins package. North Reading and Millis, other Massachusetts cities, also gave the nod to Rollins when the case was still fresh in the public mind.

The Danvers package is typical of Rollins services: 52-channel capability, including four cultural channels, three family-oriented channels, distant signal capabilities to bring in independent stations from New York City and Atlanta, three sports channels, five movie services, 12 information channels and 15 local channels. One unusual offering in the package is a channel from Canada for the large number of French-speaking residents who have moved to the area from Quebec.

Cable, because of its rapid growth, is quickly pressing other media groups within the Rollins Media division for leading revenue segment honors. However, outdoor advertising remains the leader in media group revenues.

Plants are located in Delmarva Peninsula area of Delaware and Maryland, Philadelphia, Washington, Wilmington, Del., Austin, Corpus Christi, Laredo, San Antonio and Victoria, all in Texas. The television group, composed of three vhf stations in major markets, is Rollins' next breadwinner.

Cable holds down the third rung in media revenues followed by radio, with five am stations and one fm station.

A number of Rollins' radio stations underwent format changes in 1981. WAMS (am), Wilmington, changed from top 40 to country; and WCHS (am), Santa Monica/Los Angeles, finetuned its programing to reach a more upscale audience. "Our philosophy is to meet the single greatest unmet need in each of our radio markets, and that need is in constant change," says Mr. Crow, justifying the modifications.

MEDIA PROPERTIES

Broadcasting

TELEVISION: WEAR-TV, Mobile, Ala./Pensacola, Fla.; WPTZ-TV, Plattsburgh, N.Y.; WCHS-TV, Charleston, W. Va.
RADIO: KDAY (am), Santa Monica/Los Angeles; WAMS (am), Wilmington, Del.; WBEE (am), Harvey/Chicago; WRAP (am), Norfolk/Portsmouth, Va.; WBES (fm), Charleston, W. Va.

Cable/video

Rollins Cable Vue CONNECTICUT: (80% interest) Branford, Guilford, Madison, New Haven, North Branford, North Haven, Wallingford. DELAWARE: (100% interest) Elsmere, Newark, Newcastle, Newcastle County, Newport, Wilmington. MASSACHUSETTS: (80% interest) Andover, Danvers, Dracut, Franklin, Plainville, Millis, North Reading, Norton, Somerset, Swansea. RHODE ISLAND: (100% interest) Central Falls, Cumberland, Lincoln, Narragansett, North Kingstown, North Smithfield, Smithfield, South Kingstown, Woonsocket.

Sammons Communications

Sammons Communications, Dallas, is the nation's 98th largest media company, with 1981 revenues of $59.9 million. The company is a fully owned subsidiary of the privately owned Sammons Enterprise.

Virtually all of Sammons revenues are generated by income from cable system ownership. However, the company also operates Sammons Information Service, to sell Dow Jones' information service to cable subscribers, and Sammons Productions, for the creation of programing for pay-per-view cable.

Sammons is the nation's 13th-largest multiple systems operator and operates 54 cable systems in 21 states. With 462,022 basic subscribers out of 647,823 homes passed, it has the highest basic penetration—71.3%—of any cable company in the country. The majority of Sammons systems, however, are 12 channels and in urgent need of technological upgrading. The company also has 240,475 pay subscribers.

Last year, a joint venture of Sammons (60%) and 14 local investors (40%) was awarded the 160,000 home Fort Worth franchise. The 15-year contract for Fort Worth could be worth $500 million.

Winning Fort Worth wasn't easy. Sammons had to compete against six other applicants and fight off charges of its "rent-a-citizen" strategy. Competitors and critics charged that the company had recruited some of Fort Worth's most powerful citizens, white and black, for leverage in the franchise contest. None of the local partners had any expertise to offer in the field of cable tv, nor did they make any financial investments, claimed the critics.

The system will cost more than $50 million to build and will not become profitable until the sixth year of its operation. It will consist of 61 channels, of which seven will be reserved for institutional use.

The Fort Worth victory was a welcome one for Sammons, a company that has few major urban franchises to its credit. "We have had to pull our horns in," explained Jim Polk, vp-marketing. "Franchising has gone out of control and the returns are just not enough to be really attractive for us."

But Tony Hoffman, a media analyst at Warburg Pribas Becker, had a different explanation. "Sammons Communications is part of a company that doesn't see cable as anything but another source of revenue," he said. "They have been unsuccessful at winning franchises because their bids have been unrealistic. They are looking at high rates of return and are offering fewer services than their competitors."

Undoubtedly, the company has a rather conservative and stodgy image in the cable industry—an image that has prevented it from being innovative or aggressive. Nonetheless, Mr. Polk contended, the company is making strides in the development of software.

Through Sammons Information Service it currently offers the Dow Jones Information Service to a few of its system subscribers. If the response is encouraging, it will begin offering the service on more systems and add other information sources as well.

Sammons Productions plans to continue to develop and produce programing for pay-per view, one of cable's major directions in the next decade. Currently, the programing includes special sports events, concerts and dramatic productions. It will gradually be expanded to include other premium events, said Mr. Polk.

Amidst the mad scramble for franchising and the high costs of construction, Sammons is not abandoning the idea of expansion, said Bill Strange, vp-corporate development. It will continue to expand through acquisition rather than new construction. Recently, Sammons acquired the Morristown, N.J., system—a 12-channel operation that has 7,431 subscribers.

MEDIA PROPERTIES

Cable/video

ALABAMA: Moulton, Russellville. CALIFORNIA: Ceres, Glendale, La Crescenta, Sylmar, Turlock, Whittier. CONNECTICUT: Waterbury. FLORIDA: Live Oak. GEORGIA: West Point. ILLINOIS: Dwight, Jacksonville, Ottawa, Pontiac, Streator. INDIANA: Logansport. IOWA: Estherville, Graettinger. KENTUCKY: Middlesboro. LOUISIANA: Vidalia. MISSISSIPPI: Brookhaven, McComb, Natchez. MISSOURI: Neosho. NEW JERSEY: Dover, Morristown, Pleasantville. NEW YORK: Cortland, East Hampton, Gloversville, Penn Yan, Wellsville. NORTH CAROLINA: Black Mountain, Canton, Clyde, Montreat, Waynesville. OKLAHOMA: Clinton, Elk City. PENNSYLVANIA: Easton, Emmaus, Falls Township, Harrisburg, Oil City. TENNESSEE: Bristol, Elizabethton, Johnson City, Morristown, Newport. TEXAS: Benbrook, Fort Worth (under construction, 60% interest), Highland Park, Pampa, University Park. VIRGINIA: Covington, Petersburg. WASHINGTON: Ephrata, Moses Lake, Othello.

OTHER OPERATIONS

Sammons Information Service, Sammons Productions.

Schurz Communications

Schurz Communications, South Bend, Ind., is the nation's 97th largest media company, with 1981 revenues estimated by ADVERTISING AGE at $60 million, all from media. Schurz estimated 1980 revenues at $52 million.

Schurz listens to merger opportunities "that come our way," said Franklin D. Schurz Jr., chairman. Offers to buy out Schurz come along every few months but Schurz hasn't been interested, preferring to remain independent and grow internally, he said.

Nor is Schurz interested in becoming publicly owned. Mr. Schurz noted the company has a management and employe stock option plan.

"We're fairly happy with our current mix of newspapers, radio and tv and we have no shifts in mind," Mr. Schurz said. But profits in the recession haven't been up to expectations, he said, adding that electronic media have shown more strength than print. Revenues are running ahead of last year but "inflation might be a factor there," Mr. Schurz said.

There have been job freezes at some operations and others have been trimmed through attrition.

Jack McGann was promoted to become editor and publisher of the flagship *South Bend Tribune*. He had been vp and general manager.

An expansion of the mailroom and press facilities at the *Bloomington* (Ind.) *Herald-Telephone* and *Bloomington Herald Times* neared completion. Also, the transfer of WAGT-TV operations from the outskirts of Augusta, Ga., into the city was completed.

Schurz is still studying electronic information systems in tandem with the newspapers but that and other expansions hinge on economy, Mr. Schurz said. "We had thought the economy would have turned around by now. Now, our forecasts are cautious or conservative," he said.

MEDIA PROPERTIES

Newspapers (dailies)

CALIFORNIA: *Brawley News, Imperial Valley Press* (El Centro). INDIANA: Bedford Times-Mail, Bloomington Herald-Telephone, Bloomington Herald Times, South Bend Tribune. KENTUCKY: *Danville Advocate-Messenger.* MARYLAND: *Hagerstown Herald, Hagerstown Mail.*

Broadcasting

TELEVISION: WAGT, Augusta, Ga.; WSBT, South Bend, Ind.; WDBJ, Roanoke, Va.
RADIO: WSBT (am) and WTHO (fm), South Bend, Ind.

Cable/video

FLORIDA: Cable TV of Coral Springs, serving Coral Springs. MARYLAND: Antietam Cable TV, serving Hagerstown.

E.W. Scripps Co.

E.W. Scripps Co., Cincinnati, is the 18th largest U.S. media company, with media property revenues of $500 million in 1981, 91% of total revenues. Media revenues rose 5% from $475 million estimated by ADVERTISING AGE for 1980. Total revenues for 1981 and 1980, respectively, were $550 million and $525 million.

The privately held company is owned largely by the Scripps family trust. It has some 40 subsidiaries, including Scripps-Howard newspapers.

In addition to daily newspapers, the company has among its holdings community weekly newspapers, area business publications and Media Enterprises feature services.

The company also owns 75% of Scripps-Howard Broadcasting Co., a publicly held company in Cincinnati. *(See separate listing.)*

The biggest news for Scripps this year is the sale of its UPI wire service to a newly formed company, Media News Corp. UPI, the nation's second largest wire service, was owned 95% by Scripps and 5% by Hearst Corp.

Talk of selling the financially troubled wire service was reported for the last year. Then on June 3 it was announced that UPI had been sold to Media News for an undisclosed sum.

Media News Corp. has interests in cable and subscription television and newspapers. UPI's new owners said they intended to accelerate the news service's changeover to satellite delivery of news reports and improve services to customers.

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In the last fiscal year, UPI reversed a trend of growing losses, lowering its deficit by 30%. *Editor and Publisher* reported UPI had reduced its operating losses by $3.7 million in 1981 and expected to trim more than an additional $1 million in 1982.

In March, 1982, UPI and Dialcom Inc. of Silver Spring, Md., announced that they were forming a new computerized information service called Newstrack. The service would scan millions of words of copy from the full UPI national and international news files seven days a week, 24 hours a day, for items of interest to each subscriber. At the start, Newstrack would be available only in the Washington area.

Scripps-Howard entered into area business publishing in February, 1980, when it acquired the Cordovan Corp., Houston. At the time, Cordovan had four regional business weeklies and four monthly magazines. It now has 12 business weeklies, including the recently launched *Washington Business Journal*, and its latest acquisition, the Rocky Mountain Business Journal. The 12 weeklies have an approximate circulation of 111,000.

In February Cordovan withdrew 11 of its 12 business journals from the Assn. of Area Business Publications (AABP). According to Dexter Hutchins, editorial director for Cordovan Business Journals, the decision was made because of a rule change requiring all associate members to have circulation figures audited. He said "we don't feel a trade association should dictate the timing of important business decisions. Most of our papers are new and we're in the middle of a change in our accounting system. We're not in a position to set up for an audit." However, Mr. Hutchins said that ultimately all the publications will be audited. Cordovan's oldest publication, the *Houston Business Journal*, has been audited and will remain in the association.

E.W. Scripps has 15 daily newspapers. The five morning papers have a combined average circulation of 750,000 and the 10 evening papers have a combined average circulation of 800,000. The seven Sunday editions put out by the dailies have a combined average circulation of 1.6 million.

Competition between Scripps' *Rocky Mountain News* and Times Mirror's *Denver Post* remains heated. The *Post*, once an afternoon paper that began publishing as an all-day paper last September and recently announced that it will soon be morning only, has a daily circulation of 258,376 and Sunday circulation of 356,372. *News* circulation figures show that it remained ahead of the *Post*—a feat it achieved for the first time in its history last year. Daily circulation at the *News* stands at 312,873, with Sunday circulation at 335,665.

In the nondaily area, the company in early March acquired the *Jupiter* (Fla.) *Journal* from Hammel Newspapers and merged it with its *Jupiter Courier* creating the *Jupiter Courier-Journal*. Published three times a week, the newspaper now has a combined circulation of 16,500. James L. Overton, formerly business manager of Scripps' *Stuart News* in Florida is general manager of the *Courier-Journal*.

TV Watch/DIP, the Atlanta-based affiliate of Scripps' United Media Enterprises, has entered into an agreement with Chattanooga, Tenn.-based Commercial Cable to expand "Shopper's Guide of the Air," a format of local advertising, public service and promotional announcements, to program local advertising on network cut-ins. As a result of this agreement, subscribers will be provided with a combination of local shopping and cable programing information.

MEDIA PROPERTIES

Newspapers (dailies)

ALABAMA: *Birmingham Post Herald*. CALIFORNIA: *Fullerton Daily News Tribune*. COLORADO: *Rocky Mountain News* (Denver). FLORIDA: *Hollywood Sun-Tattler, Stuart News*. INDIANA: Evansville Press. OHIO: *Cincinnati Post, Columbus Citizen-Journal*. PENNSYLVANIA: *Pittsburgh Press*. PUERTO RICO: *San Juan Star*. NEW MEXICO: *Albequerque Tribune*. TENNESSEE: *Knoxville New-Sentinel, Memphis Commercial Appeal, Memphis Press-Scimitar*. TEXAS: *El Paso Herald-Post*.

Newspapers (nondailies)

Cordovan Corp. (publisher of area business newspapers)—*Atlanta Business Chronicle, Dallas-Fort Worth Business, Houston Business Journal, Los Angeles Business Journal, Miami Business Journal, Phoenix Business Journal, Pittsburgh Business Journal, Rocky Mountain Business Journal, San Diego Business Journal, San Francisco Business Journal, Seattle Business Journal, Washington Business Journal*. Also, papers in the following locations—CALIFORNIA: (all part of Southern California Publishing Co., southern or northern group) *Alhambra Post Advocate, Anaheim Hills Journal, Brea Advocate, Commerce Tribune, East Los Angeles Gazette, East Los Angeles Tribune, Fullerton Forum, La Habra Advocate, Montebello News, Monterey Park Progress, Pico Rivera News, Placentia Journal, Santa Fe Springs News, South San Gabriel Rosemead Progress, West Whittier Independent, Yorba Linda Journal*. FLORIDA: *Jupiter Courier-Journal*. KENTUCKY: *Grant County News* (Williamstown), *Kentucky Standard* (Bardstown). Also, Scripps-Howard Press: *St. Matthews-Highland Herald, Jeffersonian, Mirror, Reporter, Southwest News, Voice*, all serving the greater Louisville, Ky., area.

OTHER OPERATIONS

Berkley-Small, a circulation supply company; SCW, an advertising art and feature service; Scripps-Howard Supply, a purchasing company; United Media Enterprises, parent of United Features Syndicate and Newspaper Enterprise Assn. news features syndicate (subsidiaries of United Features include TV Data and TV Watch).

Scripps-Howard Broadcasting Co.

Scripps-Howard Broadcasting Co., Cincinnati, is the nation's 79th largest media company with revenues of $87.3 million in 1981, representing a 13.4% increase from 1980. Net income before the cumulative effect of a change in depreciation method increased 6.3% to $17.5 million.

Television broadcasting services contributed 90% of the publicly owned company's revenues in 1981, down from 93% in 1980 and 95% in 1979. A company official explained this trend is the result of the company's growth in other areas, particularly cable.

In the first quarter of 1982, Scripps-Howard had revenues of $20.8 million, up 15.6% from 1981. Net income was $4.4 million.

Inflationary cost increases, endeavors to enhance the quality of programing and services to communities and the costs associated with building its cable television operations were responsible, the company said, for the modest increase in 1981 net income.

Beginning in 1935 with a Cincinnati radio station (no longer part of its operations), Scripps-Howard became a public company in 1963 and is the only public subsidiary of E.W. Scripps Co. (*See separate listing.*) Scripps-Howard Broadcasting Co. is 75% owned by E.W. Scripps Co.

A new am and fm radio station combination, KUPL in Portland, Ore., was acquired by Scripps-Howard from Tracy Broadcasting Co. for $4.8 million in September, 1981. This marked the company's expansion into still another geographical area.

Effective March 31, 1982, Scripps-Howard sold its WNOX station, Knoxville, Tenn., to Mac Sanders, owner of several radio stations, including WJRB, Nashville, Tenn., and WVOK, Birmingham, Ala., for $1.2 million. The company said the sale was made to facilitate the investment of both funds and management into its newly acquired radio markets.

Altogether, the company has six tv stations, four am and four fm radio stations and four cable television systems.

As part of its rapid expansion in cable, the company established a subsidiary, Scripps-Howard Cable Services, Wellesley, Mass., in early 1981.

Scripps-Howard said the most significant event in developing its cable tv operation in 1981 was the award of the cable franchise for an area of 120,000 homes in Fairfield County, Conn., to Cablevision of Connecticut, a partnership in which Scripps-Howard has 49% ownership. The efforts of four competing applicants to appeal the franchise were rejected by the Connecticut Department of Utilities Control. The case is now in the superior court of Connecticut. However, construction of the system is under way and Scripps-Howard expects its first subscribers to be enjoying cable tv by early this summer.

Also during 1981 Scripps-Howard acquired from TOTAL TV of Janesville, Wis., systems with 12,500 subscribers in Lake County, Fla. The company anticipates a total subscriber count of 17,000 from these systems in 1982. Construction in the company cable system in Volusia, Fla., is near completion and construction of a new system in Tulare County, Cal., has begun.

Directly or through companies in which it has holdings, Scripps-Howard Cable now serves approximately 70,000 subscribers. Plans are to continue to examine application and acquisition possibilities in the cable field.

MEDIA PROPERTIES

Broadcasting

TELEVISION: WPTV, West Palm Beach, Fla.; KSHB, Kansas City, Mo.; WCPO, Cincinnati; WEWS, Cleveland; KJRH, Tulsa; WMC-TV, Memphis.
RADIO: KMEO (am, fm), Phoenix, Ariz.; WBSB (fm), Baltimore; KUPL (am, fm), Portland, Ore.; WNOX (am), Knoxville, and WMC (am, fm), Memphis, Tenn.

Cable/video

CALIFORNIA: Tulare Communications Corp., serving Tulare County. COLORADO: Longmont Communications Corp., serving Longmont. FLORIDA: Scripps-Howard Cable Services, with T and W Cable Co., serving De Bary, Lake County, Leesburg. MICHIGAN: Scripps-Howard Cablevision Corp., a limited partner in Ann Arbor Cablevision, serving Ann Arbor.

Seattle Times Co.

The Seattle Times Co., is the nation's 68th largest media company, with 1981 revenues estimated by ADVERTISING AGE at $118.3 million. All of the company's revenues are generated by two media properties: The *Seattle Times* and the *Walla Walla* (Wash.) *Union-Bulletin*. The company is owned by Seattle's Blethen family (50.5%) and the Knight-Ridder Newspaper chain (49.5%).

Revenues in 1981 are up from total 1980 revenues of about $93.5 million for two reasons: Circulation improved somewhat at the *Seattle Times* (climbing to 261,432 daily and 344,724 Sunday for slight increases of 0.6% and 0.8%, respectively, from September to September Audit Bureau of Circulations reporting periods). In addition, unit prices rose from 20 cents to 25 cents daily and 60 cents to 75 cents on Sundays for the Seattle paper, which accounts for 97% of the company's total revenues.

The Times Co.'s 1982 position is unclear at this moment, pending a decision by the U.S. Attorney General on the company's proposed merger of the all-day *Seattle Times* with that city's other daily, the morning *Seattle Post-Intelligencer*. At presstime, the government's decision was expected "at any moment."

The merger plan was announced early last year, when Hearst Corp., owner of the *Post-Intelligencer* (or *P-I*), declared that the morning paper was in "probable danger of financial failure."

Hearst presented evidence to the Justice Department indicating that over the previous dozen years the *P-I* had lost $14 million, and future projections indicated an even greater rate of loss. Thus, said *Times* and Hearst officials, the papers should be allowed to merge under provisions of the 1970 Newspaper Preservation Act.

Under terms of the agreement, the two papers would combine essentially all operations except editorial functions under the *Seattle Times* banner. The Times Co. would get 6% of the joint operation's profits as a management fee. Of the remaining profits, *Times* would get 60% and the *P-I* 34%.

Strong, vocal opposition to the merger has come from area advertisers (who fear a unified rate structure), other local publishers (suburban and alternative press) and the two papers' staffs, particularly in the noneditorial "back shop" unions that stand to lose positions if the merger takes place.

Perhaps the most significant opposition comes from within the Justice Department, where antitrust chief William Baxter criticized the merger by saying, "It would grant an unnecessary windfall to the applicants, and

Newspapers: Getting Fatter
Part II

Top increases in total ad linage	1981 increase over 1980 (000 omitted)	% increase
1. New York Times	8,252	9.2%
2. Cleveland Press*	4,522	19.3%
3. Washington Post	4,354	4.3%
4. Philadelphia Inquirer	4,039	8.3%
5. Dallas News	3,545	3.9%
6. Rocky Mountain News	3,440	5.1%
7. Boston Globe	3,057	4.7%
8. Houston Chronicle	2,915	2.5%
9. Miami Herald	2,907	3.6%
10. West Palm Beach Post	2,445	4.6%

*Started Sunday edition August 2, 1981.

Source: Compiled by Advertising Age from measured linage figures published by *Editor & Publisher*.

impose an unnecessary burden upon newspaper readers and advertisers." He also suggested that the merger is tantamout to "price-fixing."

In addition Justice Department antitrust attorneys filed a 40-page report with U.S. Attorney General William French Smith asserting that the *P-I* is making money, not losing, as Hearst contends.

However, after public hearings were held, administrative law judge Daniel H. Hanscom (who was appointed by Mr. Smith) came to the conclusion that the merger did not violate the provisions of the Newspaper Preservation Act.

At this time much hangs on Mr. Smith's decision. One highly placed source said it is inconceivable that he will not agree to the merger. Still, the longer he takes, the more anxious everyone involved becomes. One *P-I* staff member summed up the situation by saying, "If I had a nickel for every time I've heard, 'We'll get a decision this week,' I'd be rich."

MEDIA OPERATIONS

Newspapers

WASHINGTON: *Seattle Times, Walla Walla Union-Bulletin.*

Southern Progress Corp.

Southern Progress Corp., Birmingham, Ala., is the country's 83rd largest media company. Its 1981 media property revenues were estimated by ADVERTISING AGE at $80 million. Total corporate revenues were not available, although corporate officials say revenue contributions of other properties are minimal compared to media.

The company's two major breadwinners are the *Progressive Farmer*, a monthly magazine published since 1886 and the leading farm publication in 16 southern states from Texas to the Carolinas; and *Southern Living*, a slick monthly that offers readers a melange of recipes, travel notes, home decorating tips, gardening advice and profiles of southern cities and towns.

Southern Progress also publishes *Decorating and Craft Ideas*, a how-to magazine distributed nationally, and *Delta Report*, a monthly newsletter aimed at farm suppliers and others in farm-related businesses. Two smaller magazines are directed at specialized audiences: *Destinations* is targeted at travel agents in the South, and *Southern Supermarketing* is a regional trade publication. Oxmoor House, the company's book publishing division, also is included in media. It primarily offers special publications on a subscription basis to subscribers of *Southern Living*.

In 1981, the privately owned Southern Progress had the best year in its history, according to Emory O. Cunningham, president. The company's three major magazines, *Southern Living, Progressive Farmer* and *Decorating and Craft Ideas*, increased ad pages and circulation. *Southern Living*, according to Publishers Information Bureau, increased its gross advertising revenues (prior to agency commissions) to $35.3 million, up 15% from 1980 when it hit $30.6 million. "Subscriber income is the best it's been," said Mr. Cunningham. "Revenues are up mainly because of increased circulation."

In spite of the shaky economy that has hurt many farmers, "we project 1982 to be a very good year," he said. *Southern Living* and *Progressive Farmer* were up in ad pages for the first six months. *Progressive Farmer* added 12 ad pages. "That's on top of 1981, which was an all-time record high," said Mr. Cunningham.

Mr. Cunningham believes that *Progressive Farmer's* strong showing stems from the magazine's policy of publishing separate issues for farmers producing different crops. Advertisers are able to target soybean, cotton, peanut, beef, pork and tobacco products, and subscribers also seem to prefer the specialized treatment.

In a recent management change, Jerry Vehle was promoted to publisher in April. He was the magazine's advertising director and has been with *Progressive Farmer* for 20 years. Mr. Cunningham, who had been publisher, retains his role as president of the magazine.

Southern Progress also owns the Progressive Farmer Radio Network, a syndicated radio program offering farm market news on 40 southern stations. Revenues from the Starkville, Miss.-based network make up only a small part of the corporation's total.

The company's book publishing division, Oxmoor House, had the best year in its history in 1981, publishing 10 titles of general interest to southern readers. The corporation also operates the "Southern Living Cooking School," classes devoted to southern-style cooking held in approximately 50 cities and towns in the Southeast and Texas each year. Southern Progress is diversified into several other areas related to its publishing business.

MEDIA PROPERTIES

Magazines

Decorating and Craft Ideas, Progressive Farmer, Southern Living, Southern Supermarketing.

Newsletters

"Delta Report."

Broadcasting

Progressive Farmer Radio Network.

OTHER OPERATIONS

Agresponse, Akra Data, Oxmoor House book publishing, Progressive Farmer Insurance, Publishers Service division, Sunland Plans.

Stauffer Communications

Stauffer Communications, Topeka, Kan., is the country's 100th largest media company, with media property revenues of $59.2 million in 1981, or 90% of total revenues of $66.1 million.

Media revenues in 1980 were $55.6 million and total revenues that year were $60.4 million.

Newspapers accounted for 73% of the media revenues and 65% of total revenues last year. Net profits were $3.8 million, the same as in 1980.

Stanley Stauffer, president, said the publicly held company suffered from high interest rates on corporate debt and the generally soft economy.

The *Topeka Capital-Journal*, which had combined its morning and evening editions to form a single all-day paper in 1980, last year dropped the late editions and became a morning-only paper.

From March, 1981, to March, 1982, the *Capital-Journal's* average daily circulation increased less than 1% to 69,600, and Sunday circulation rose slightly more than 1% to 75,200.

Stauffer publishes 18 other daily newspapers in midwest markets extending from Michigan to Oklahoma and ranging in circulation from 6,000 to 30,000.

Circulation for Stauffer's 19 dailies was flat in 1981. The 12-month average totaled 250,738 at the end of March, up just 20 papers from the previous year.

The papers in Shawnee, Okla.; Pittsburg, Kan.; Holland, Mich., and Beatrice, Neb., reported good profits for the year, as did radio stations in Amarillo, Tex., and Shawnee, Okla.

WIBW-TV in Topeka did well, too, largely because it commands a big share of the market. But Mr. Stauffer said both WIBW and the *Capital-Journal* would be performing better if Topeka's economy weren't in such bad shape.

The city's two primary employers, Santa Fe Railway and Goodyear Tire and Rubber Co., have reduced their work forces. The agricultural economy of northeast Kansas is also depressed. "All three factors are adversely affecting our Topeka operations," Mr. Stauffer said.

The company's last acquisition was the CBS tv affiliate in Santa Maria/Santa Barbara, Cal., in 1980. Stauffer apparently plans to continue to expand in both publishing and broadcasting.

"There are no plans to add a seventh am radio station," said Mr. Stauffer, "but we'll be looking in the future for good tv stations and cable delivery systems."

While Stauffer would be more aggressive if interest rates were lower, "we're not exactly in a holding pattern," an official said. "In fact, we're looking at two target acquisitions right now."

He refused to disclose details, but said the properties were in markets smaller than Topeka.

Several Stauffer newspapers have total market coverage programs in various stages of development, and two papers—in Shawnee, Okla., and York, Neb.—have started electronic newspaper operations in their communities, providing news and advertising on cable tv.

Stauffer owns 50% interest in Total Television of Amarillo, Tex., and its *Capper's Weekly*, a regional newspaper, has 420,000 circulation in six midwest states.

The founder of the company, Oscar Stauffer, died in February at the age of 96. His sons, Stanley, president, and John, senior vp, now head the company. Oscar Stauffer incorporated the company in 1930 with six small newspapers and a radio station.

MEDIA PROPERTIES

Newspapers

COLORADO: *Glenwood Springs Post.* KANSAS: *Arkansas City Traveler, Newton Kansan, Pittsburg Morning Sun, Topeka Capital-Journal.* MICHIGAN: *Hillsdale Daily News, Holland Sentinel.* MISSOURI: *Blue Springs Examiner, Hannibal Courier Post, Independence Examiner, Marshall Democrat News, Maryville Forum, Nevada Daily Mail.* NEBRASKA: *Beatrice Sun, Grand Island Independent, York Daily News-Times.* OKLAHOMA: *Shawnee News Star.* SOUTH DAKOTA: *Brookings Register, Yankton Daily Press & Dakotan.* Also *Capper's Weekly.*

Broadcast

TELEVISION: KCOY-TV, Santa Maria/Santa Barbara, Cal.; WIBW-TV, Topeka, Kan. RADIO: KARZ (am), Phoenix; KRNT (am) and KRNQ (fm), Des Moines, Ia.; WIBW(am, fm), Topeka, Kan.; KGBX (am), Springfield, Mo.; KGFF (am), Shawnee, Okla.; KGNC (am, fm), Amarillo, Tex. Also, Kansas City Royals Baseball Radio Network.

Cable/video

Total Television of Amarillo (50% interest), serving Amarillo, Tex.

OTHER OPERATIONS

Capper's Insurance Service, a travel tour service and computer software.

Storer Broadcasting Co.

Storer Broadcasting Co., Miami Beach, Fla., is the 29th largest U.S. media company. Revenues in 1981 were $276.4 million, all generated by media operations. This total marks an increase of 40.1% over last year.

Broadcast stations accounted for $143,673,000 or 52% of 1981's total revenue. Cable communications systems revenues were $132,764,000 or 48%. On March 1, Storer divested itself of its last radio station—WLAK-FM, Chicago—when the station was sold to Viacom International for $8 million. Storer has now committed all of its resources to its tv and cable operations.

Storer owns and operates seven tv stations. The tv broadcasting division as a whole turned in a record year of revenue and operating profit, although economic conditions in several of the company's markets dependent on the auto industry—Detroit and Toledo—have been less than favorable.

The company placed continued emphasis on improving local news and information programing in reaction to the public's dependence on tv as a primary source of news and information. Storer continues to invest in the latest technology to enhance its newsgathering capabilities. For example, STORSAT, the Storer satellite uplink, was placed in full service in the Washington area. It is used by Storer's stations to provide news coverage from the capital instantaneously on an exclusive basis.

Storer vowed to become a leader in the cable field in 1978 and its growth has been spectacular. It is currently the fifth largest cable operator in the world and owns in excess of 104 operating cable systems serving 930,000 basic subscribers in 20 states. As of March 31 it had more premium subscribers—1,033,300—than basic subscribers. As of that date it counted 1,860,800 homes passed by cable; 3,143,000 homes are in Storer's franchised areas. Statistical projections by the company through the end of 1982 call for a total of 1,282,800 basic subscribers, 1,663,800 premium subscribers and 3,231,984 households in the franchised areas.

Communities in which new franchises were obtained during 1981 and early 1982 are located in Arizona, California, Colorado, Florida, Kentucky, Maryland, Minnesota, Oregon, South Carolina and West Virginia.

Storer Metro Communications was awarded the franchise for Washington County, Oregon, in December, 1981. It executed a contract with Metro-West Cablevision to merge into Storer Metro. (Metro-West holds additional franchises in the suburban Portland area.) Also in 1981, Storer joined with other major cable operators as joint venturers in Spotlight, a premium entertainment service.

In January and March, 1982, the company purchased cable communications systems in the suburban Dallas-Fort Worth area and in Phoenix, with approximately 7,800 current subscribers. It also sold a small system in Illinois.

Storer has cable communications subsidiaries in which local investors own not more than 20%. The company's policy is to continue to investigate areas of potentially profitable cable communications operations, even in light of the current economy. As one company executive said, "Storer plans on meeting all of its commitments this year" and into the future.

On April 5, 1982, Storer officials announced the completion of a $460 million financing program with the signing of a $325 million revolving credit and term loan facility arranged through a consortium of 13 banks with Chase Manhattan Bank as agent. Prior to this, in February, 1982, the company had announced the signing of a $125 million 10-year term loan with Continental Illinois National Bank and the Mellon Bank, N.A.

The funds provided by the Chase consortium were used to repay $126 million outstanding under the company's 1980 revolving credit agreement which was terminated. The remainder is available for continued expansion of Storer's cable operations.

According to Terry H. Lee, president and chief operating officer, "if construction of cable communications systems for which the company holds franchises is completed on schedule, the cost of such construction programs is estimated to be $230 million in 1982; $163 million in 1983 and $94 million in 1984.

An important change in the company's hierarchy took effect April 27, 1982, when Peter Storer, formerly vice-chairman of Storer, succeeded to the position of chairman and chief executive officer. He replaced William Michaels, who is now chairman of the executive committee.

Another change that will be taking place this December will be a change in the company's name, from Storer Broadcasting to Storer Communications, to reflect the company's belief that the cable system will be used in ways far beyond tv programing, for uses not yet on the drawing board.

It will also move its headquarters from Miami Beach to North Miami.

MEDIA PROPERTIES

Broadcasting

TELEVISION: KCST-TV, San Diego; WAGA-TV, Atlanta; WSBK-TV, Boston; WJBK-TV, Detroit; WJKW-TV, Cleveland; WTVG-TV, Toledo; WITI-TV, Milwaukee.

Cable/video

Storer Cable Communications. ALABAMA: Montgomery, Prattville (includes Clanton and Sylacauga), Troy. ARIZONA: Ahwatukee (80% interest), Buckeye (80% interest), Glendale (80% interest), Mesa, Paradise Valley, Peoria, Phoenix, Surprise. ARKANSAS: Little Rock (80% interest, includes Cammack Village). CALIFORNIA: Anaheim, Banning (includes Hermosa Beach, El Porta, Manhattan Beach), Camarillo (80% interest), Fairfield (includes Solano County, Suisun), Fillmore (includes Santa Paula, Frazier Park, Moor Park), Laguna Beach (includes Orange County, San Clemente, San Juan Capistrano), Norcal (includes Sonoma, Napa Valley, Rohnert Park), Ojai, Redwood, Roseville, San Mateo, Sunset (Placer County) Thousand Oaks, Union City, Villa Park. COLORADO: Battlement Mesa, Fort Lupton, Louisville, Loveland. CONNECTICUT: Clinton (includes Old Saybrook, Durham, Hadcam, Killingworth, Chester, Deep River, Essex, Westbrook), Groton, New Haven (includes West Haven, Hamden). DELAWARE: Dover (includes Camden, Dover Air Force Base, Smyrna, Wyoming, Kent County), Rehobeth (includes Lewes, Rehobeth Beach). FLORIDA: Altamonte Springs (80% interest, includes Seminole County, Lake Mary), Bartow (includes Fort Meade, Frostproof, Lake Placid, Lake Wales, Wauchula, Williston, Highlands County), Dade/Broward (includes Biscayne Park, El Portal, Miami Shores, Miramar, North Miami, North Miami Beach, Pembroke Park, Pembroke Pines), Dunedin (80% interest, includes Oldsmar, Tarpon Springs), Hollywood (75% interest), Lehigh Acres, Pasco County, Port Charlotte (includes Arcadia, North Port, Charlotte County, Punta Gorda), Sarasota (includes Long-boat Key, Sarasota County). GEORGIA: Georgia Systems (includes Albany, Americus, Ashburn, Bainbridge, Camilla, Pelham, Cordele, Vienna, Dawson, Donalsonville, Moultrie, Nashville, Adel, Cook County, Dougherty County, Sparks, Sylvester, Tifton, Tift County). ILLINOIS: Glendale Heights (80% interest), Minonk, Toluca. KENTUCKY: Boone County, Bowling Green, Campbell County, Jefferson County (80% interest), Kenton County. MARYLAND: Howard County (80% interest, includes Ellicott City), Northern Prince George's County (80% interest), Pocomoke (includes Princess Anne, Snow Hill, Somerset County, Worcester County), Prince George's County (80% interest), Salisbury. MINNESOTA: Bloomington, Fridley, Northwest suburbs of Minneapolis (80% interest), St. Cloud (includes Sartell, Sauk Rapids, Sterns County, Waite Park), St. Louis Park. MISSOURI: Florissant (80% interest). NEW JERSEY: Cinnaminson (80% interest, includes Delanco, Palymyra, Riverside, Riverton), East Brunswick, East Windsor, Eatontown (includes Allenhurst, Deal, Fair Haven, Fort Monmouth, Freehold Borough, Hazlet, Little Silver, Loch Arbour, Long Branch, Monmouth Beach, Oceanport, Red Bank, Rumson, Sea Bright, Shrewsbury Borough and Township, Tinton Falls, West Long Branch), Gloucester (80% interest, includes Woodbury, Clayton, Deptford Township, East Greenwich, Glassboro, Greenwich, Mantua National Park, Paulsboro, Wenonah, Westville, West Deptford, Woodbury Heights), Hackettstown, Monmouth, Plainfield, Princeton area (80% interest, includes Plainsboro Township, Monroe Township, Spotswood, Cranbury Township, Helmetta, Jamesburg, South Brunswick Township), Willingboro. OREGON: Clackamas County, Washington County. PENNSYLVANIA: Radnor. SOUTH CAROLINA: Charleston (includes Berkeley County, Charleston Air Force Base, Charleston County, Colleton County, Goose Creek, Hanahan, Isle of Palms, Mount Pleasant, Naval Weapons Station, North Charleston, Sullivan's Island, Summerville Marine Corps Air Station, Walterboro). TEXAS: Alvin (includes Friendswood, Hillcrest Village), Balch Springs (includes Seagoville, Dallas County), Bedford (80% interest —includes Blue Mound, Colleyville, Buless, Kennedale, Lake Worth, Richland Hills, Saginaw, Wautaugra), Clearlake, Cleburne (includes Crowley, Edgecliff Village, Burleson), Colleville, Copperfield, Forest Hill, Garland (includes Rowlett, Buckingham, Sunnyvale, Terrell), Grand Prairie (includes Cockrell Hill), Houston-Northeast (80% interest), Houston-Southeast, Lamarque (includes Texas City, Hitchcock, Bayou Vista Santa Fe, Omega Bay), Lancaster (includes Ovilla), League City (includes Dickinson, Baycliff, Kemah), Nassau Bay (includes Webster, Taylor, Lake Village, El Lago, Seabrook, Taylor Lake), Saginaw, Terrell (includes Oak Ridge), Tomball, Weatherford, White Settlement (includes Lakeside Village). VIRGINIA: Chesterfield County (80% interest), Fort Belvoir, Leesburg (80% interest), Prince William County (75% interest).

Playboy turns from smut to smarts

By Jennifer Alter

The November, 1975, cover of *Playboy* was graced by a fetching young lady with her hand stuck deep into her bikini panties.

It was, one might say, the lowest point *Playboy* had reached in what now is seen as its panicky reaction to the pubic wars launched by aggressive competitors like *Penthouse*. Hugh Hefner, the magazine's founder, saw the "popcorn" cover—so described at Playboy Enterprises because the young lady had a box of popcorn in her other hand—and decided that enough was enough. From then on the mandate was clear: The 23-year-old magazine that had created a genre with great flair, and then watched its franchise disintegrate as competitors rushed in, had to clean up its act.

Today *Playboy* is light years away from such graphic titilation, having opted instead for a more tasteful approach to sex. And what may have been an instinctive reaction on Mr. Hefner's part has turned out to be a sound business decision as well. *Playboy* has reversed its circulation erosion, bolstered its advertising volume and, with annual earnings in the range of $20 million, is far and away the largest profit maker for the troubled Playboy Enterprises, as well as one of the healthiest of the men's magazines.

"We've become a magazine people are not embarrassed to keep on the coffee table," says Nat Lehrman, who was appointed associate publisher in mid-1976.

One of the tasks assigned Mr. Lehrman was to help pull *Playboy* out of a long period of misguided attempts to outraunch *Penthouse*, launched in 1969 by Robert Guccione.

Terrified as its rate base began to drop (from a high of 7 million in 1972 to an alltime low of 4.5 million in late 1977), *Playboy's* first instinct was to fight smut with smut.

Meanwhile, *Playboy* launched *Oui* in 1972 to "come up behind *Penthouse*" and attract the readers making a mass exodus from *Playboy*. But Mr. Hefner and other company officials felt uneasy with the extent of sexual overtness necessary to make a go of *Oui*. As a result, *Oui* was positioned hazily, and wound up competing for readers with *Playboy*, which simultaneously was becoming increasingly explicit. When the "popcorn" *Playboy* cover appeared, the company finally sounded its retreat.

MORE SEX IN CINEMA
PLAYBOY'S BOLDEST BUNNIES
PLAYBOY
REAGAN'S COMING WAR ON DRUGS: CIVIL RIGHTS WILL BE THE BIGGEST LOSER

The notorious "popcorn" cover (left) pushed **Playboy** ***to the point of softening its approach today (right).***

"We became uncomfortable with the explicit level of sex," recalls Mr. Lehrman.

Mr. Lehrman had been associate publisher of *Oui*. His appointment as associate publisher of *Playboy* was one of the first indications that Playboy Enterprises was willing to invest in independent management for its flagship magazine. "Previously the magazine was serviced by the corporate apparatus," explains Mr. Lehrman. "We brought unity and teamwork to an outfit that was kind of splintered."

By renewing its focus on "tasteful sex" and "literary quality," the magazine consciously sacrificed a sizable chunk of newsstand sales; as a tamer book, it took itself off the impulse buy list of an established audience segment.

But positioned as "the gray-haired old man of the crowd," as one observer has labeled it, *Playboy* came into certain privileges.

Significantly, it won access to a whole different world of advertisers. Under new management, the ad sales staff was able to sell a more conservative magazine.

Indeed, it is now sold against the newsweeklies, playing on its strength as a vehicle with which to reach men.

In the past five years, it has made headway into nearly every corporate category outside of Detroit (which it continues to woo). At the same time it has raised its standards on the so-called "back of the book" ads, refusing to accept material it feels is of "sexual ghetto" definition.

Aware of the new approach's possible impact on newsstand sales, *Playboy* executives also launched an organized plan to "manage" circulation. The magazine increased subscription solicitation activities and stepped up discount offers.

It now maintains what it considers an optimum 50-50 balance between subscription and single copy sales, (subscriptions previously accounted for only 30%). The present mix, executives contend, makes it easier to maintain the rate base, now fairly steady at 5 million.

Penthouse circulation, meanwhile, has fallen to 4.1 million from a peak of 4.7 million in 1979, and the magazine last July lowered its rate base to 4 million from 4.5 million.

Playboy's increased percentage of subscriptions also leaves circulation less vulnerable to the appeal (or lack thereof) of blockbuster covers—which Mr. Lehrman claims are unpredictable anyhow.

For example, he notes, it would have been impossible to know in advance that Ace Hardware Corp. would fire spokesperson Suzanne Somers for appearing in *Playboy*, an incident that generated enough excitement and publicity to rate a sell-out cover.

Despite the emphasis on subscriptions, the magazine didn't ignore the need for single-copy sales.

During the "turnaround" period, *Playboy* formalized various promotional programs, assigning one staff member fulltime responsibility for booking playmates on tours and another to capitalize on promoting the hard news angles of the magazine's editorial material.

As *Playboy* has settled into its more conservative form, its circulation has leveled off at approximately 5 million, its contents fat with some 1,400 ad pages a year.

"Its maturing strategy is not a bad one," says J. Kendrick Noble, a publishing analyst at Paine Webber Mitchell Hutchins. "It's become the sedate conservative member of the group."

Nevertheless, the magazine has much to fear from complacency, industry analysts believe. Undeniably past its prime, they say, *Playboy* should be viewed a a mature product in a flat, if not declining, field.

Its best bet, confides one *Playboy* executive, is to focus on market share. To bank on growth in the total men's magazine field in the 1980s would be as naive as trying to outsmut the smut books was in the 1970s, he says. AA

Jennifer Alter is an ADVERTISING AGE reporter in Chicago.

Taft Broadcasting Co.

Taft Broadcasting Co., Cincinnati, is the nation's 62nd largest media company with media property revenues of $125.1 million for the year ended March 31. Television stations generated a total of $95.7 million—up 12% from last year—and radio produced $29.4 million, a 9% increase.

Broadcasting accounted for all of the media revenues, or 34.9% of the company's total revenues of $358.2 million. Taft's net earnings for the fiscal year were $38.8 million.

Taft's entertainment group, which produces and distributes tv and theater programing, contributed revenues of $102.3 million or 28.6% of total revenues.

The company has three divisions—broadcasting properties, entertainment group and amusement parks. All of them posted record gains within the fiscal year, but the amusement parks showed the most dramatic growth.

Taft got into the cable market last year by hooking up with Tele-Communications Inc., Denver, to buy several cable systems in Michigan and New England.

The partnership, TCI-Taft Cablevision Associates, now has 88,000 subscribers in 32 communities, and the company says it will continue to focus on the acquisition of existing systems in those two geographic areas. Its goal is to have 200,000 subscribers by 1984.

A second partnership between Taft and TCI was formed to develop programing for both basic and pay cable, and Taft-TCI Programs recently purchased 20% equity in Black Entertainment Television, the satellite-delivered cable service that reaches 9 million subscribers.

In addition, Taft-TCI Programs is producing pilots of children's and public affairs programs for sale to cable operators.

Taft owns its full complement of five vhf stations—in Birmingham, Buffalo, Cincinnati, Columbus and Kansas City—along with independents in Washington and Philadelphia.

It has six fm stations and six am stations, which are located in Buffalo, Cincinnati, Columbus, Kansas City, Pittsburgh and Tampa.

The company said its independent stations and fm radio showed "excellent performance" in recent months, while am stations and some of the network affiliates reported only modest revenue gains.

Taft tv stations tend to put local programing in high priority. For example, four of them have one-hour local evening news shows, and WBRC in Birmingham telecasts 29 hours of locally-produced programs each week.

In December, Taft purchased 47.5% interest in the Philadelphia Phillies baseball team, and with the acquisition came rights to broadcast the team's games for nine years beginning in 1984.

WDAF in Kansas City and WBRC in Birmingham soon will begin to provide regional news feeds for Satellite News Channels, the cable news service of ABC-Westinghouse. Satellite uplinks are being installed at both stations.

This summer Taft plans to begin conducting a teletext experiment using the British Context system at WKRC-TV in Cincinnati.

It would place decoder-equipped televisions in 40 homes and at several public locations. The system allows viewers to call up information to see alone or with other programing on a split screen.

Taft would be the first to experiment with teletext in its markets. It hopes to determine the kinds of information viewers want and how much they will use it.

Taft has been in radio since 1939 and tv since 1949, and it got into the programing business much earlier than most competitors. In 1966 it acquired Hanna-Barbera Productions, its first step to becoming a supplier of software for the video industries.

Taft's entertainment group owns several production companies, as well as Worldvision Enterprises, an international distributor of tv programing.

With 70% of all Saturday morning children's programs now coming from Taft enterprises, the company has become the world's largest producer of animated tv programing.

Hanna-Barbera is the largest maker of animated programs, and Ruby-Spears, another Taft subsidiary, is the third largest. Last season's top-rated Smurfs were a Hanna-Barbera creation, and the company now is creating a Pac-Man special for ABC that it hopes may eventually become an animated series.

"Heidi's Song," an animated movie by Hanna-Barbera, is scheduled to be released in December.

Taft's entertainment group also produces live-action tv programing, which last season included "Skokie," starring Danny Kaye, and "My Body, My Child," starring Vanessa Redgrave.

Worldvision Enterprises has domestic and foreign distribution rights to several television series. It has sold reruns of "Little House on the Prairie" in 110 domestic markets and 100 foreign markets.

MEDIA PROPERTIES

Broadcasting

TELEVISION: WBRC-TV, Birmingham, Ala.; WDAF-TV, Kansas City, Mo.; WGR-TV, Buffalo, N.Y.; WKRC-TV, Cincinnati, and WTVN-TV, Columbus, O.; WTAF-TV, Philadelphia; WDCA-TV, Washington.

RADIO: WGR (am) and WGRQ (fm), Buffalo, N.Y.; WKRC (am) and WKRQ (fm), Cincinnati; WTVN (am) and WLQV (fm), Columbus, O.; WDAF (am) and KYYS (fm), Kansas City, Mo.; KQV (am) and WDVE (fm), Pittsburgh; WDAE (am) and WYNF (fm), Tampa, Fla.

Cable/video

Through TCI-Taft Cablevision, Taft owns 50% interest in the following systems—CONNECTICUT: Haystack Cablevision. NEW HAMPSHIRE: Twin State Cablevision of Lebanon. MASSACHUSETTS: Cape Cod Cablevision. MICHIGAN: American Microwave Co., Great Lakes Cable (Harbor Springs, Petoskey), Lake Charlevois Cable (Boyne City, Gaylord), Plains Cablevision (Muskegon, Niles, St. Joseph), Six Star Cable (Brighton, Howell, Ypsilanti), Sun Cablevision in Cheboygan.

OTHER PROPERTIES

Four amusement parks, Black Entertainment TV, Philadelphia Phillies baseball team (47.5%), Taft Entertainment Co., Worldvision Enterprises.

Tele-Communications Inc.

Tele-Communications Inc., the nation's 48th largest media company, is playing its own version of Pac-Man. The publicly owned Denver-based cable tv and microwave common carrier company recently jumped from third place to the No. 1 multiple systems operator in the country, gobbling up cable systems or parts of them, at such a rate that the company itself sometimes has trouble keeping records of its properties up to date.

Total revenues for the company are up 46%, from $124.4 million in 1980 to $181.4 million in 1981. Of that total, revenues from media properties—all cable tv—amounted to $167.7 million, or 92% of the total. Revenues from microwave operations were up 7.6% from 1980, to $13.7 million. Net income in 1981 was $12.8 million, compared with $8.2 million the year before.

TCI's cable tv business is handled through its subsidiary, Community Tele-Communications Inc. (CTCI). Its microwave division is operated though another wholly owned subsidiary, Western Tele-Communications Inc. (WTCI).

A major accomplishment during 1981 was the quantum leap in subscribers. During the year, cable subscribers increased from 1,100,000 for basic to 1,594,000, and pay subcribers went from 469,000 in 1980 to a 1981 yearend total of 921,000, a leap of 96.6%. The combined growth of both basic and pay subscribers went up more than 58% in 12 months. TCI, at the end of 1981, represented some 249 systems in 45 states, systems either owned, partially owned or managed by TCI.

And a postscript on yearend statistics shows that there has been no lull in the company's momentum. According to the National Cable TV Assn., in a special *TV Digest* publication—*Cable Business*, as of March 22, 1982, TCI broke the 2 million mark for basic subscribers served. With that number, the company swept past its major competitors of the last few years to become the nation's cable king. In that same special publication, Time Inc.'s American Television & Communications Corp., previously the No. 1 mso in the U.S., is listed as having 1.9 million subscribers and Westinghouse Electric Corp.'s Group W Cable (formerly Teleprompter Corp. and No. 2 mso) is listed with 1.7 million, now coming in as No. 3.

From its beginnings in 1963, when Salt Lake City-based Bob Magness (now chairman of TCI), Kearns-Tribune Corp. and KUTV merged their cable systems in Utah, Nevada, Montana and Texas, TCI has pursued its philosophy of going after the "mom and pop" operations rather than the larger franchises in major cities. TCI has zeroed in on rural communities, winning subscribers in such locations as Horse Cave, Ky.; Knob Noster, Mo.; Ypsilanti, Mich., and Jal, N.M.

"TCI is a small systems operator and we're proud of it," says J.C. Sparkman, executive vp of CTCI, who praises the "cluster" approach of the company—buying systems located near existing properties—as effective both from a financial and management point of view.

Despite the success the company has enjoyed, certain cable industry analysts (and critics) have reacted to the company's quick growth with a certain wariness.

For one, there has been criticism about sluggish development of certain franchises, notably in Boulder, Colo., a city currently engaged in a legal franchise tussle with TCI and often mentioned when the company is criticized for apathy in upgrading its systems. In a *Business Week* article (Nov. 23, 1981), Richard S. Varnes, the city's director of media and programing, was quoted as saying, "They have done nothing in 13 years."

According to CTCI's Mr. Sparkman, however, the sluggish growth of the Boulder franchise was a result, he said, of Federal Communications Commission restrictions, not any lack of enthusiasm of TCI's part.

Another source of speculation revolves around the "minimal capability" of many of TCI's systems. Because many are older—offering only 12-channel capability—subscribers, say analysts, will eventually want the multichannel (up to 108-channel) capability of the more sophisticated systems. This would have a real impact when TCI's franchises, granted for 10- and 15-year increments, come up for renewal.

But, counters Mr. Sparkman, only 20% of TCI's holdings have 12-channel systems. The remaining 80% have capability for 30 channels and more. In addition, with more than 850 franchises in its system, TCI is constantly renewing franchises. And, according to David Humphrey, director of corporate reporting for TCI, the company—to date—has not lost one.

Meanwhile, some of the major developments in 1981 include the purchase of Horizon Communications Corp. (previously based in Evansville, Ind.) for $70.5 million. Horizon was only one of 17 acquisitions, whose total purchase price came to $145.1 million. In addition, TCI reached a joint venture agreement with Knight-Ridder Newspapers to form TKR Cable Co. to "acquire, develop and operate cable tv systems." As a result of the TKR partnership, TCI gained control of Cross Country Cable, Bound Brook, N.J., serving 43,000 of a potential 116,000 subscribers.

Also in early 1981, TCI joined Cincinnati-based Taft Broadcasting Co. in another joint venture. Its agreement to buy 100% of Cape Cod Cablevision in Barnstable, Mass., was completed in early 1982. So the additional 28,000 Massachusetts subscribers are now on the TCI roster.

Also during the year, additional stock was purchased in Athena Communications Corp. As of early 1982, more than 80% of the company is now owned by TCI.

More recent acquisitions include Six Star, a cable group in Pomona, Cal. (36,000 subscribers), and Key West, Fla. (27,000 subscribers). In April of this year, TCI acquired the Plains Cable Group, including systems in Michigan, Indiana, Pennsylvania, Wisconsin and New York, bringing in an additional 100,000 cable customers.

One final major accomplishment for TCI this past year was the development of a satellite service package—through the efforts of TCI president John C. Malone and Mr. Sparkman. The package, when it becomes available, would enable any TCI subcriber to choose from a "menu" of services and be charged for only what they see.

As to the future of TCI, what happens once you have made it to the top?

Keep on going, say company executives.

"We are the only pure cable tv company left," says Mr. Sparkman, who says TCI will continue its acquisition strategy. "Size gives you strength in negotiating power."

MEDIA PROPERTIES

Cable/video

ALABAMA: Arab, Boaz, Birmingham, Centre, Hartselle, Homewood (80% interest), Jacksonville, Piedmont. ARIZONA: Tucson suburbs. CALIFORNIA: Berkeley, Brisbane, Carson, Daly City (86.66% interest), Fremont (92% interest), Grass Valley, Millibrae, Oceanside, Pacifica, Penn Valley, Richmond, San Carlos, San Mateo, South Lake Tahoe, Sunnyvale Trails, Vista Grande, Woodside. COLORADO: Alamosa, Boulder, Brush, Cortez, Delta, Durango, Fort Morgan, Glenwood Springs, Golden, Jefferson County (southern portion), Lakewood, Leadville, Littleton, Monte Vista, Montrose, New Castle, Pueblo, Salida, Sterling. CONNECTICUT: Lakeside, Sharon. FLORIDA: Daytona Beach, Titusville. GEORGIA: Carrollton, Columbus. IDAHO: Burley, Idaho Falls, Preston. ILLINOIS: Carbondale, Chicago Heights, Dickson, Fulton, Marion, Mattoon, Mokena, Morris. INDIANA: Booneville, Carmel, Chanute, Eaton, Elmwood, Fairmont, Franklin, Gary, Greenfield, Greencastle, Greensburg, Hartford City, Jaspar, Lebanon, Linton, Martinsville, Mount Vernon, New Castle, Princeton, Salem, Tell City, Upland. IOWA: Milford. KANSAS: Augusta, Caney, Cherryville, Coffeyville, Derby (83% interest), Dodge City, El Dorado, Garden City, Garnet, Goddard, Heston, Iola, Leavenworth, Newton, Ottawa, Peabody, Topeka. KENTUCKY: Barbourville, Bardstown, Campbellsville, Cumberland Valley, Dawson Springs, Elizabethtown, Fulton, Glasgow, Greenville, Henderson, Hodgenville, Horse Cave, Leitchfield, Pineville, Princeton, Providence, Winchester. MARYLAND: Elkton. MASSACHUSETTS: Cape Cod, Natick. MICHIGAN: Alpena, Brighton, Cheboygan, Howell, Lake Charlevoix, Muskegon, Petoskey, Ypsilanti. MINNESOTA: Albany, Albert Lea, Alexandria, Austin, Browerville, Clarissa, Faribault, Glenwood, Long Prairie, Melrose, Moorhead, Osakis, Ortonville, Sauk Centre, Staples, Wadena. MISSOURI: Cape Girardeau, Centralia, Clinton, Hannibal, Hazelwood, Hermann, Jackson, Jefferson City, Knob Noster, Mexico, Moberly. MONTANA: Anaconda, Billings, Bozeman, Butte, Deer Lodge, Dillon, Glenview, Glendive (50% interest), Helena, Lewiston, Livingston, Miles City. NEBRASKA: Alliance, Broken Bow, Douglas County, Grand Island, Hastings, Kearny, Kimball, Lexington, McCook, North Platte, Ogallala, O'Neal, Scottsbluff, Sidney. NEVADA: Battle Mountain, Carson City, Elko, Hawthorne, Lake Tahoe. NEW HAMPSHIRE: Hampton, Lebanon. NEW JERSEY: Elizabeth, Gloucester City, Parlin, Wanen. NEW MEXICO: Artesia, Carlsbad, Hobbs, Jal. NEW YORK: Fredonia, Orangetown, Poughkeepsie, Rockland County, Schenectady. NORTH CAROLINA: Elkin, Marion, Morganton, Mount Airy. NORTH DAKOTA: Grand Forks, Minot. OHIO: Barnesville, Bethesda, Bridgeport, Brookside, Cadiz, Chester, Dillonvale, Duncan, East Liverpool, Enid, Hamilton, Mahoning, Martins Ferry, Marlow, Middletown, Mingo Junction, Moundsville, Muskagee, Newell, Warren, Wheeling Township. PENNSYLVANIA: Allegheny, Ambridge, Carnegie, Castle Shannon, Clarion, Columbia, Dormont, East Hills, Etna, Gettysburg, Glassport, Kane, McKeesport, McKees Rocks, Monessen, Mount Wolf, North Hills, Penn Hills Township, Quarryville, Red Lion, South Hills, State College, Stowe, Towanda, Westside, Westview. SOUTH CAROLINA: Bennettsville, Columbia, Forest Acre. SOUTH DAKOTA: Mitchell, Rapid City, Sioux Falls (50% interest). TENNESSEE: Bolivar, Brownsville, Knox County, Knoxville, La Follette, Lake City, Livingston, Memphis (44½% interest), Shelbyville, Soddy-Daisy. TEXAS: Bishop, Brazoria, Corpus Christi, Clifton, DeLeon, Eastland, Freeport, Houston (50% interest), Huntsville, Mathis, Mineral Wells, Needville, Odem, Padre Island, Premont, Port Arthur, Refugio, Robstown, Woodsboro. UTAH: Carbon City, Davis County, Farmington, Grantsville, Nephi, Ogden, Park City, Price, Provo, Roosevelt, Roy, Salt Lake City, Smithfield, Toole, West Valley.VERMONT: St. Albans. VIRGINIA: Culpepper, Orange. WASHINGTON: Anacortes, Bellingham, Bremerton, Burlington, Olympia, Raymond. WEST VIRGINIA: Chester, Logan, Moundsville, New Cumberland, Parkersburg, Wellsburg, Weston, Wheeling. WISCONSIN: Madison (33⅓% interest), Rockland. WYOMING: Powell, Lander, Laramie, Riverton, Thermopolis, Worland. Also, Centre Video Corp., Western-Tele Communication, Community Tele-Communications, TCI Growth, TCI Development Corp. [which consists of TCI-Taft Cablevision (50%-50% split), TKR Cable Co. (50%-50% split), Horizon Communications Corp. (91% interest), Athena Communications Corp. (81% interest)], Tennessee-Kentucky Cable TV Co. (50% owned by Athena).

OTHER OPERATIONS

Tele-Communications Inc. owns a 50% interest in Taft-TCI, which in turn holds interest in Black Entertainment TV. Also, it operates National Telefilm Associates (74% interest).

Thomson Newspapers Ltd.

Thomson Newspapers Ltd., Toronto, Ont., is the 34th largest media company in the country, with operating revenue from U.S. newspaper properties of $232.4 million in the fiscal year ended Dec. 31. The company's only business in the U.S. is newspaper publishing and printing. Operating income from that business, headquartered in Des Plaines, Ill., last year totaled $90.5 million .

At the end of its fiscal year, Thomson Newspapers' U.S. holdings included 83 newspapers. The company also owns 54 Canadian daily and weekly newspapers, bringing total revenues of $303.8 million and income of $75.9 million. Consolidated revenues from U.S. and Canadian properties were $536.2 million; net income, $83.7 million.

At yearend 1981, total daily circulation in the U.S. was 1,181,200; in Canada, total circulation was 1,171,100. The company's sole U.S. purchase in 1982 (to date) has been the *Daily Mining Gazette* in Houghton, Mich.

At the company's annual meeting in May, Kenneth Thomson, chairman and president, told shareholders the company is expecting continued earnings growth in 1982, but at levels "well below" last year. The company said it will not acquire additional Canadian properties, and is continuing with its U.S. acquisition program. "Additional acquisitions are in prospect," Lord Thomson told the meeting.

Thomson Newspapers Ltd. is a part of a vast worldwide conglomerate controlled by the Thomson family, which owns 71% of the Canadian newspaper company. International Thomson Organisation Ltd., Toronto, is a separate, 81% family-owned company with interests in business publications and book publishing in the U.S., United Kingdom and the Continent; national and regional newspapers in the U.K.; U.K. consumer magazines; package tour operations and travel agencies in the U.S. and U.K.; and substantial operations in North Sea oil fields and other petroleum-related businesses.

Both Thomson Newspapers and the International Thomson Organisation are headed by Lord Thomson, who holds the title of Lord Thomson of Fleet. Mr. Thomson's father, Roy H. Thomson, started the Canadian newspaper company in 1934 with the acquisition of the *Daily Press* in Timmons, Ont. He first migrated into the U.S. market in 1952, when he bought the *St. Petersburg* (Fla.) *Independent* (subsequently sold). Since its founding, Thomson Newspapers has been unflagging in its business goals: It purchases noncompetitive newspapers in small- and medium-size communities.

beWare! we've locked up 302,000
Call us or you'll regret

Among Houston's professional, managerial and technical people whom read a
Represented nationally by Sawyer Ferguson

While Thomson Newspapers and ITO operate separately, the Thomson family's control links the two companies. Industry analysts believe the fate of the larger ITO in 1981—a year in which oil profits dropped and the U.K. economy worsened—could ultimately affect Thomson Newspapers' U.S. growth plans this year. In 1981, for instance, the company purchased six newspapers: *Tifton* (Ga.) *Gazette, Sikeston* (Mo.) *Daily Standard, Thomasville* (Ga.) *Times-Enterprise, Florence* (S.C.) *Morning News, Enterprise* (Ala.) *Ledger* and *Kokomo* (Ind.) *Tribune.*

Though the company had purchased only the *Houghton Daily Mining Gazette* through the first five months of 1982, last year it said it was setting a goal of six to eight U.S. acquisitions annually for the next several years.

In its shareholders report, the company predicted soft consumer spending in both Canada and the U.S. in 1982, but said, "We are confident that the results . . . will continue to be satisfactory." The ongoing recession in both the U.S. and Canada could hit Thomson particularly hard because of its concentration of newspapers in the industrial northern states of Ohio, Pennsylvania and Michigan and throughout Canada.

Robert Duncan, communications analyst, Wood Gundy, Toronto, said the general state of the economy may hamper the company's expansion plans. But, he added, "They have been extremely careful in their bidding. I have a feeling that Thomson is riding out the slump now and looking for papers affected by the economy that might be available at a lower price."

At presstime, Thomson was still embroiled in Canadian government antitrust actions resulting from its acquisition of Southam Inc.'s F.P. Publications. In May, 1981, the company was charged under the Combines Investigation Act with respect to its closing of the *Ottawa Journal.* Alleged improprieties surfaced during a government investigation of the acquisition and, in May, 1982, both companies were ordered to stand trial on seven counts of violating competition laws.

MEDIA PROPERTIES

Newspapers (dailies)

ALABAMA: *Dothan Eagle, Enterprise Ledger, Opelika-Auburn News.* ARIZONA: *Douglas Daily Dispatch.* ARKANSAS: *Northwest Arkansas Times* (Fayetteville). CALIFORNIA: *Antelope Valley Daily Ledger-Gazette* (Lancaster), *Barstow Desert Dispatch, Eureka Times-Standard, Oxnard Press-Courier, San Gabriel Valley Tribune* (West Covina), *Siskiyou Daily News* (Yreka). CONNECTICUT: *Ansonia Evening Sentinel.* FLORIDA: *Clay Today* (Orange Park), *Jackson County Floridan* (Marianna), *Key West Citizen, Punta Gorda Daily Herald-News.* GEORGIA: *Cordele Dispatch, Dalton Daily Citizen-News, Thomasville Times-Enterprise, Tifton Gazette, Valdosta Daily Times.* ILLINOIS: *Mount Vernon Register-News.* INDIANA: *Kokomo Tribune, New Albany Tribune.* IOWA: *Council Bluffs Nonpareil, Oelwein Daily Register.* KANSAS: *Atchison Daily Globe, Leavenworth Times.* KENTUCKY: *Corbin Times-Tribune.* LOUISIANA: *Lafayette Daily Advertiser.* MARYLAND: *Salisbury Daily Times.* MASSACHUSETTS: *Fitchburg Daily Sentinel and Leominster Enterprise* (Fitchburg), *Taunton Daily Gazette.* MICHIGAN: *Adrian Daily Telegram, Escanaba Daily Press, Houghton Daily Mining Gazette, Iron Mountain Daily News, Marquette Mining Journal.* MINNESOTA: *Albert Lea Evening Tribune, Austin Daily Herald.* MISSISSIPPI: *Laurel Leader-Call.* MISSOURI: *Cape Girardeau Southeast Missourian, Carthage Press, Sikeston Daily Standard.* NEW HAMPSHIRE: *Portsmouth Herald.* NEW YORK: *Herkimer Evening Telegram, Newburgh Evening News, Oswego Palladium-Times.* NORTH CAROLINA: *Rocky Mount Evening Telegram.* OHIO: *Canton Repository, Coshocton Tribune, East Liverpool Evening Review, Greenville Daily Advocate, Lancaster Eagle-Gazette, Marion Star, Middletown Journal, Newark Advocate, Piqua Daily Call, Portsmouth Times, Salem News, Steubenville Herald-Star, Xenia Daily Gazette, Zanesville Times Recorder.* OKLAHOMA: *Ada Daily News.* PENNSYLVANIA: *Connellsville Daily Courier, Greenville Record-Argus* (Kittanning), *Hanover Evening Sun, Kittanning Leader-Times, Lock Haven Express, Meadville Tribune, Monessen Valley Independent.* SOUTH CAROLINA: *Florence Morning News.* SOUTH DAKOTA: *Mitchell Daily Republic.* VIRGINIA: *Petersburg Progress-Index.* WEST VIRGINIA: *Fairmont Times-West Virginian, Weirton Daily Times.* WISCONSIN: *Fond du Lac Reporter, Manitowoc Herald-Times Reporter.*

Newspapers (nondailies)

ALABAMA: *Phenix City Citizen.* FLORIDA: *Englewood Herald.* ILLINOIS: *McLeansboro Times-Leader.* INDIANA: *Howard County News.* OHIO: *Greentown-Franklin Chronicle.* PENNSYLVANIA: *Midland News.*

Time Inc.

Time Inc., New York, is the country's fourth largest media company, with $1.51 billion in revenues from media operations in 1981, a 28% increase from 1980. Media operations—made up of the company's extensive magazine and video holdings—represented 45.8% of Time Inc.'s total 1981 revenues of $3.3 billion. The company earned $297 million in 1981, a 12% increase from 1980.

Magazines contributed $870 million in revenues, video $618 million and Pioneer Press about $25.4 million.

Magazines and video accounted for $102 million and $123 million, respectively, in earnings. Pioneer Press earnings are not broken out.

Other income came from its book publishing operations, its forest products division and a variety of smaller enterprises.

Magazines performed spectacularly in 1981, as three of the company's weeklies—*Time, Sports Illustrated* and *People*—dramatically increased their revenues and dominated the industry's top 10.

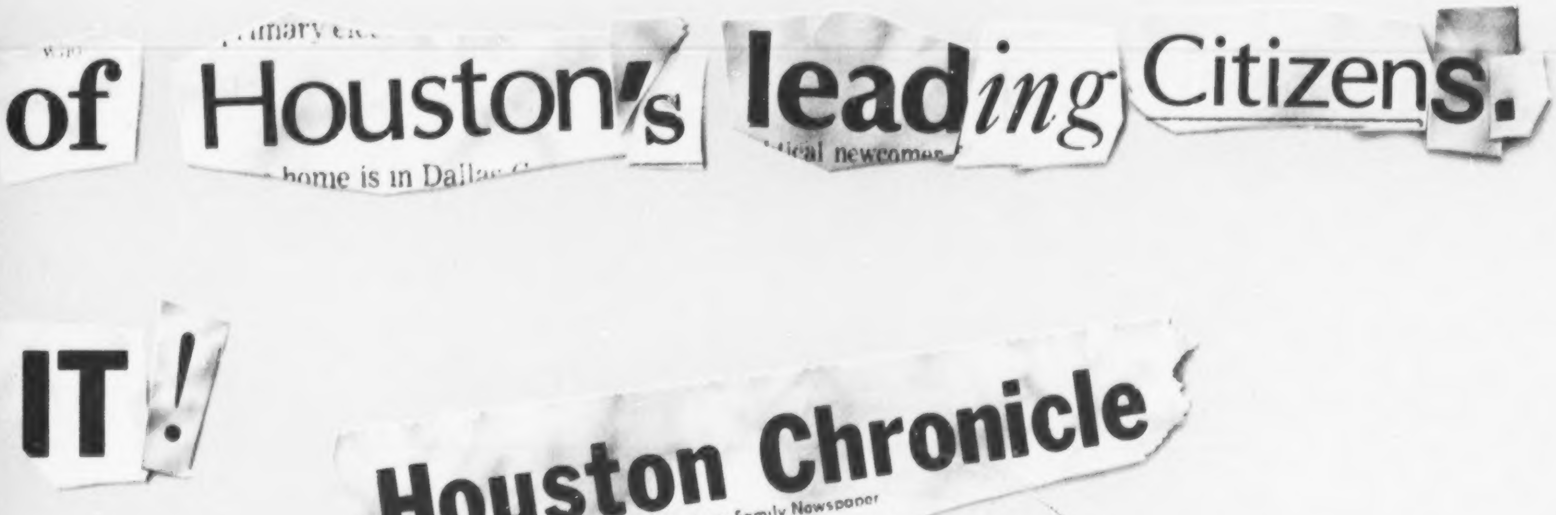
Time elbowed *TV Guide* out of the No. 1 spot in ad revenues, with a 13% increase to $253 million while *TV Guide* ad revenues were flat at $239 million.

Sports Illustrated and *People* both moved up a notch in the rankings, to Nos. 4 and 5 respectively, displacing McGraw-Hill's *Business Week.*

Time's other magazines also performed well. *Fortune* ad revenues were up 27% to $70.4 million, Life was up 20% to $23.2 million, *Money* was up 48% to $22.9 million and *Discover,* Time Inc.'s newest publication, was up 333% to $5.2 million.

While magazines were contributing record-high revenues, Time Inc. video operations were also setting impressive records. That fast-growing division,

STANDARD AD UNIT



daily newspaper, 62% choose The Chronicle. So don't say we didn't warn you.
Walker. Source: Scarborough Report, 1982.

which includes American Television Communications, Home Box Office, Cinemax and a one-third ownership in USA Cable Network, last year matched the earnings—but not the revenues—of all of Time Inc.'s publishing operations, including its magazine and book holdings. It is expected to surpass the publishing earnings in 1982.

"Not bad for a business that barely showed a profit only five years ago," president J. Richard Munro told the stockholders.

In a move that joins the two growing branches of magazine and video operations, Time Inc. is close to deciding whether it will go ahead with its planned cable magazine. In the testing stages for the last year, the magazine seemed close to the go-ahead point when Time Inc. announced in February that Dan Zucchi, formerly ad sales director at *Money*, would take over the newly created post of publishing director of the task force in charge of the cable magazine project.

Insiders say the proposed magazine is still a likely possibility, but a decision may have been delayed when a prototype reportedly got a mixed reception at this May's convention of the National Cable TV Assn.

Mr. Munro said in a recent interview that Time Inc. executives "very much want" to go ahead with the new magazine, but added that starting a new publication would not be an easy task. Alluding to the problems of producing a national cable magazine encompassing the almost mind-boggling number of cable systems around the country, Mr. Munro said: "It is a very, very difficult thing to pull off. If it wasn't, *TV Guide* would have already done it."

The cable magazine project neatly summarizes what many

'It was the death of a family'

By Nancy Tait

August 7, 1981: The final edition of the *Washington Star* is published. One hundred twenty-nine years of newspaper tradition ends. Washington, the nation's capital, is now a one-newspaper town. And 1,830 employes of the *Star*, some of whom have spent their entire working lives at the paper, find themselves out of work.

It was worse than a death in the family, Mary McGory, 1975 Pulitzer prize winner and 34-year employe of the *Star*, wrote in her farewell column: "It was the death of a family."

There was no formal funeral for the *Star*. People who wanted to say a final farewell did so in the Aug. 7 paper. Some chose the opportunity to advertise a 25%-off merchandise sale—in memory of the *Star*.

The end had come swiftly and painfully. The paper's owner, Time Inc., made its announcement July 23, 1981. The *Star*'s last day of publishing was just 15 days later.

The noble cause that had been their consuming passion and had dominated their daily routine of many at the *Star* was gone. What now faced them was a mundane, but overwhelming question: Where would the next paycheck come from?

The *Star* employed many talented writers and reporters. Ten were Pulitzer prize winners. For these people the transition was quick, although not necessarily easy.

A Time Inc. spokesman says the company isn't able to offer any insights into what happened to the *Star*'s 1,830 employes: No numbers on how many had landed new jobs and where, no idea of how many might still be looking for work.

No matter what its financial condition may have been, it had been inconceivable to many *Star* employes that the paper would close, and that "the family" would have to scatter. Here are the thoughts and circumstances of some of them:

George Beveridge was at the *Star* for 40 years. He was, at the end, the paper's ombudsman and associate editor. In 1958, he won the Pulitzer Prize, the first *Star* writer to do so.

"I was shocked when I heard the *Star* was closing," Mr. Beveridge recalls. "I didn't expect it. The *Star* was in deep financial trouble, but the timing shocked me.

"It's tragic that Washington is now a one-paper town."

Of Time Inc.'s handling of the closing, Mr. Beveridge would make no comment. Of the *Washington Times*, Washington's new paper, which is financed by businesses of Sun Myung Moon's Unification Church, he also had no comment.

Mr. Beveridge today is an assistant to Joe Allbritton, the banker and newspaper publisher who sold the *Star* to Time in 1978.

Mary Lou Forbes was at the *Star* for 37 years, at the end as associate editor of the Commentary section. She won the Pulitzer Prize in 1959, a year after Mr. Beveridge won his. She was the first female editor at the *Star*.

"At the end," Ms. Forbes said, "working at the *Star* was a labor of love. The financial erosion was so evident, all you had to do was to pick up the paper to see how few ads were there.

"I wasn't surprised the *Star* folded, although I admit I harbored an inkling of hope that someone would rescue us at the last minute.

The Staff of The Washington Star

Pulitzer Prize Winners

The Star's staff: The noble cause that had been their consuming passion was gone.

"The only thing that wasn't done that might have been the answer was to go with the *Star* as a morning paper," she said. "But that would have been a very expensive commitment."

Of Washington's new paper, the *Washington Times*, she says, "It's a bright, readable paper. So many of my friends are there."

Ms. Forbes today is the executive editor of The Source, a telecommunications company in West Virginia.

Sidney Epstein was associate publisher of the *Star* when it closed.

"In the last year," Mr. Epstein says, "it was obvious the *Star* was in terrible financial trouble. There was no reassuring Time that things could be turned around. The $60 million they had given the paper had been used up. Still, the paper closed a little faster than I thought it would."

This was the second time Mr. Epstein had lived through a major newspaper's closing. He had been city editor at the *Washington Times-Herald* when the *Washington Post* bought it in 1954.

"The *Star*'s closing was a personal disaster for a lot of people," he said. "A lot of them are working at Moon's paper—thank God, 'cause they need jobs. They have to eat."

Mr. Epstein is now vp-electronic newspaper publishing for Malarkey-Taylor Associates, a telecommunications company in Washington.

Stephen Aug, a 13-year *Star* employe, was the paper's business editor.

He says today of the paper's closing the same thing he was saying in those bitter days nearly a year ago: "The merchants of the District wouldn't support us, and now they're getting what they deserve [a reference to *Post* advertising rate increases]. Personally, I'm delighted. If I had been a substantial retailer in Washington, I would have wanted to keep an advertising alternative."

Mr. Aug had nothing to say about Time Inc.'s handling of the paper's closing. By his estimate 60% of editorial staff had new positions the same day the paper announced it was folding.

Mr. Aug is now a Washington correspondent for ABC radio and television.

John Heyd was a relative newcomer at the *Star*, having been there only 2½ years when it closed. He was the paper's marketing ad director. The news to him was perhaps more shocking than it was to others.

"The first time I realized we weren't going to make it was when Time made the announcement we were closing on July 23," he recalls.

To suggestions that it was perhaps Time's lack of expertise in the newspaper business that significantly contributed to the *Star*'s demise, Mr. Heyd replies: "The things we did may have been unusual to the newspaper industry, but we were facing an unusual situation."

Mr. Heyd is now sales promotion director with *Sports Illustrated*, a Time Inc. publication.

Carol Khan was another latecomer. She was at the paper for 1½ years and was its retail ad manager.

Ms. Khan still clings to the belief that the *Star* had a chance. "Just before the paper closed, Hecht's department store was seriously considering committing one-third of its advertising linage to the *Star*," she said. "Right up to the end, the *Star* was making plans to increase its share of the advertising market. We had begun SuperStar, a weekly ad listing that was sent out to all nonsubscribers, and plans for a marriage mail program [a direct mail marketing program for advertisers] was in the works. But they didn't have a chance to really work. "We had terrific plans, but it was all too late."

She remembers the last day, starting from the sterile modern plant—but an extremely efficient one, everyone was reminded at the time—in Southeast Washington that the paper had moved to in 1959:

"I'll never forget watching people as they lined up on the street. I was on the fourth floor. They were waiting to collect their final paycheck. People from editorial were putting their arms around and hugging people in circulation, trying to comfort each other. It was a very sad day."

Ms. Khan is now general manager for Donnelly Publications in St. Louis.

Other *Star* employes and where they now are working:

- George Hoyt, *Star* publisher during Time's tenure, from 1978 to 1981, is now corporate production manager for monthly magazines, Time Inc.
- Mary McGory, columnist, now writes a syndicated political column for the Washington Post three times a week.
- Edwin Yoder Jr., editor of the editorial page and Pulitzer Prize winner, is a syndicated columnist for the Washington Post Writers Group.
- Jeremiah O'Leary, most senior employe—he had worked at the *Star* for 44 years—and the paper's White House correspondent, is White House correspondent for the *Washington Times*.
- Harry J. Kelly, associate managing editor, is a national writer for Time Inc.
- Pat Oliphant, Pulitzer Prize-winning cartoonist, is a syndicated cartoonist for Universal Press Syndicate group. His cartoons appear in 400 papers nationwide, including the *Washington Post*.
- Phil Evans, managing editor, is assistant managing editor at the Washington Times.
- John McKelway, writer of the paper's "Rambler" column, is a reporter on the *Washington Times*' national staff.
- Anne Crutcher, editorial writer, critic and columnist, is editorial page editor at the *Washington Times*.

observers see as the direction of Time Inc. in the 1980s. The company will keep its historic commitment to print operations, but much of its growth will probably come from the video business. One Wall Street analyst has estimated that by the middle of the decade, video operations will account for 50% of the company's operating income. Its contribution jumped to 41% from 35% over the last two years.

American Television & Communications is expected to sign up its two millionth subscriber this year and the Time Inc. division recently won a coveted cable franchise in Denver.

MEDIA PROPERTIES

Newspapers

Pioneer Press, 28 nondaily newspapers serving suburban Chicago: *Citizen*, (serving Edison Park, Harwood Heights, Norridge, northwest Chicago, Norwood Park), *Deerfield Review, Des Plaines Highlander, Elm Leaves, Evanston Review, Forest Leaves, Franklin Park Herald, Franklin Park Journal, Glencoe News, Glenview Annoucements, Herald* (Northlake, Leyden Township, Stone Park, Melrose Park), *Highland Park News, Lake Forester, Maywood Herald, Morton Grove Champion, Niles Spectator, Northbrook Star, Oak Leaves, Park Ridge Advocate, River Grove Messenger, Rosemont Progress, Schiller Park Independent, Skokie Review, Vernon Review, Weekend World* (Oak Park), *West Proviso Herald, Wilmette Life, Winnetka Talk.*

Magazines

Discover, Fortune, Life, Money, People, Sports Illustrated, Time.

Broadcasting

WOTV, Grand Rapids, Mich.

Cable/Video

Cinemax, Home Box Office, USA Cable Network. Also, American Television & Communications Corp., serving the following—ALABAMA: Birmingham (87% interest). ARKANSAS: El Dorado, West Memphis. CALIFORNIA: Arvin, Canyon County, Lamont, Morago, Orange, Rancho Bernardo, San Diego, San Marino (80% interest), South Pasadena, Tehachapi. COLORADO: Canon City, Colorado Springs, Littleton, Highland Ranch, Thornton. CONNECTICUT: Torrington (97% interest). FLORIDA: Cocoa/Melbourne, Jacksonville, Kissimmee, Orlando, Ormond Beach, Perry. GEORGIA: Savannah. HAWAII: Honolulu (84% interest). ILLINOIS: Champaign-Urbana (80% interest). INDIANA: Indianapolis (80% interest), Marion, Terre Haute. IOWA: Council Bluffs (50% interest), Fort Madison, Iowa City(80% interest), Mount Pleasant, Muscatine. KANSAS: Chanute, Emporia, Independence, Neodesha, Parsons. KENTUCKY: Hartford/Beaver Dam, Madisonville, Mayfield, Murray. LOUISIANA: Monroe/West Monroe, Shreveport. MAINE: Portland, Sanford. MICHIGAN: Battle Creek (50% interest), Oscoda, Tawas. MINNESOTA: Mankato, Marshall, Montevideo. MISSISSIPPI: Jackson. MISSOURI: Boonville, Chillicothe, Kansas City (50% interest), Kennett, Marshall, Maryville, St. Louis County (unincorporated areas 80% interest and north area 80% interest). NEBRASKA: Columbus, Falls City. NEVADA: Fallon/Yerrington. NEW JERSEY: Salem. NEW YORK: Albany, Ithaca, Manhattan, Rochester, Webster. NORTH CAROLINA: Asheboro, Burlington, Charlotte, Durham, Fayetteville/Dunn, Gastonia, Greensboro, High Point, Lumberton, Raleigh, Rockingham, Southern Pines (80% interest), Whiteville/Chadbourne. OHIO: Columbus, Delaware. OKLAHOMA: Blackwell, Cushing, Guymon, Midwest City (83% interest), Norman (80% interest), Stillwater (80% interest), Woodward. OREGON: Baker, LaGrande, Union. PENNSYLVANIA: Erie (52.65% interest), Franklin, Levittown (80% interest), Reading, South Delaware Co. TENNESSEE: Henderson, Lexington, Memphis (44% interest), Milan, Savannah, Union City. TEXAS: Austin, Wichita Falls. VIRGINIA: Lynchburg, Richmond (40% interest). WEST VIRGINIA: Charleston. WISCONSIN: Appleton, Beloit, Eau Claire, Fond du Lac (50% interest), Green Bay, New Berlin, Sheboygan (50% interest), Two Rivers (40% interest), West Allis (49% interest). In addition, American Television & Communications owns multipoint distribution systems in Denver and Miami, and subscriber TV services in Boston, Cleveland and Dallas.

OTHER OPERATIONS

Book-of-the-Month Club, Inland Container Corp., Little, Brown, New York Graphic Society, Selling Areas-Marketing Inc., Temple Eastex, Time-Life Books.

Times Mirror Co.

Times Mirror Co., Los Angeles, is the country's fifth largest media company with media operations accounting for $1.37 billion in revenues out of total 1981 revenues of $2.16 billion.

Media revenues rose 21% from last year's $1.13 billion. Total revenues were up 16% from 1980, while net income rose 8% to $150.3 million.

Newspapers accounted for $1.07 billion in revenues, broadcast and cable for $190.6 million and magazines $112.3 million. Newspapers, which represent 51% of total company revenues, recorded a 22% increase in revenues from 1980's $874.3 million. Broadcast and cable revenues increased 36% from $139.9 million, but magazine revenues dropped 1.6% from $114.1 million.

In 1981, Times Mirror stuck with its long-time strategy of expansion within the communications area in which it has developed expertise. The publicly held company continued efforts to upgrade newspaper properties and also made major steps into cable tv and electronic information services.

The *Los Angeles Times* marked its 100th anniversary in 1981 with revenues of $580 million, its best ever. For the 26th straight year, the *Times* recorded more total ad linage than any other newspaper in the world—164.2 million lines. Daily circulation for the six months ended last March 31 averaged 1,062,707 copies, up 3.6% from the same period a year earlier. Sunday circulation also rose 3.6%, to an average of 1,317,817.

During the year, the *Times* made several editorial and technological advances. It opened a foreign bureau in Warsaw, Poland, and a financial bureau in Detroit. In a drive to strengthen the paper's presence in markets where *Times* penetration is low, the paper expanded business coverage in both the Orange County and San Diego County editions.

The *Times* continued its $215 million expansion program. Included in that is the expansion of its Orange County plant, the installation of two new offset presses and the conversion of existing presses to offset. Construction of a second satellite plant in the San Fernando Valley is under way and expected to be completed by 1984.

Times Mirror's *Newsday* on Long Island became the U.S.' largest evening newspaper in 1981—a distinction of note, given the rate at which evening newspapers are folding these days. It also made circulation gains and increased its total ad linage by 8% to 72.1 million lines.

While in 1981 *Newsday* achieved the position of the country's largest p.m. paper, it made moves that may indicate a conversion to a.m. delivery is under consideration. During the year *Newsday* experimented with morning home delivery in the Queens community of Bayside. In July, it introduced a morning newsstand edition which was available two hours earlier than previously.

The *Denver Post*, which completed its first year as a Times Mirror newspaper in 1981, also made moves in the a.m. direction in 1981. It started an a.m. street sales edition in September and later converted subscriber areas to a.m. home delivery on weekdays.

During the year, the *Post* was overhauled graphically and editorially as part of a drive to reverse a trend of declining circulation and ad linage. In addition to making design changes and reorganizing sections, the *Post* added new local news, fashion, automotive, travel and daily business sections. It also introduced a separate tv guide.

The *Dallas Times-Herald* became an all-day newspaper in 1981. The conversion was completed under Thomas R. McCartin, named publisher and chief operating officer in March 1981. Readers in Dallas County now have the option of subscribing to either a morning or afternoon edition. Following the switch, the paper's morning circulation increased to 50% of its total circulation. Circulation averaged 251,003 daily and 341,787 on Sunday.

At Connecticut Newspapers, Times Mirror introduced Sunday editions of the *Advocate* in Stamford and the *Greenwich Time*, plus the first zoned editions of the newspapers, in an attempt to provide readers with local coverage and pull in local retail advertisers.

Times Mirror continued efforts to reach the Los Angeles-adjacent Orange County market by upgrading the *Orange Coast Daily Pilot* technologically and editorially (this is in addition to expansion of the Orange County edition of the *Los Angeles Times*). The Orange Coast Publishing operating unit also introduced a new weekly free newspaper in the area, the *Irvine Mirror*, in October. In March, 1982, it started the *Mission Viejo Mirror*.

Times Mirror's broadcast and cable tv group's 36% increase in revenues was matched by an increase in operating profit for 1981 to $64.2 million. Much of the improvement is attributed to the tv operations, including five tv stations acquired in 1980.

Broadcasting president John McCrory has said that the seven-station tv group may at some time consider starting a cooperative programing venture, probably in the news area.

Times Mirror expanded its cable operations in 1981 beyond traditional cable tv services to include a 24-hour-a-day premium movie service, Spotlight. Times Mirror has entered into an agreement with other multiple system operators who have become partners. The company's hope is that Spotlight will eventually become one of the nation's major premium services.

Times Mirror's regular cable operations grew, too. In 1981 its basic subscribers grew to 641,000, while pay tv subscribers increased to 343,000. At the same time, there were 26,000 basic subscribers and 33,500 pay tv subscribers in systems in which the company has a minority interest.

In May, Times Mirror Satellite Programming made plans to purchase two satellite transponders on Hughes Galaxy I satellite, scheduled to start operation in 1983.

In addition to growing in cable tv, Times Mirror spun off a new subsidiary to conduct a field trial of a two-way home information delivery system, Times Mirror Videotex Services. The trial started in early 1982 in 350 Southern California households in Mission Viejo and Palos Verdes, Cal., two affluent Los Angeles suburbs.

Long-range plans call for expansion into teleshopping, home banking, ticket reservations, airline schedules and delivery of information from newspapers and magazines. If the Southern California test is successful, Times Mirror will probably introduce the service in other American markets.

The company's ski magazines contributed to the magazine group's revenue decline in 1981. They recorded circulation and ad linage drops, which Times Mirror attributed to poor snow conditions.

Advertising increased, however, in *Golf*. Elsewhere, *Popular Science* joined Diamond Publishing in producing *Diamond Popular Science* for the Japanese market.

There were no major management shifts at Times Mirror in 1981. Five senior operating officers were elected corporate vps.

They are the following: Lee J. Guittar, president, publisher and ceo of the *Denver Post* and chairman of the *Dallas Times Herald*, who now also oversees the *Orange Coast Daily Pilot*; Tom Johnson, publisher and ceo of the *Los Angeles Times*; David Laventhol, publisher and ceo of *Newsday*, who is also responsible for the *Hartford Courant* and Connecticut Newspapers; John J. McCrory, president of Times Mirror Broadcasting, and Ralph J. Swett, president of Times Mirror Cable Television.

MEDIA PROPERTIES

Newspapers

CALIFORNIA: *Los Angeles Times, Orange Coast Daily Pilot* (Costa Mesa). COLORADO: *Denver Post.* CONNECTICUT: *Greenwich Time, Hartford Courant, Stamford Advocate.* NEW YORK: *Newsday* (Melville).

Magazines

Cross Country Ski, Golf, Homeowners How-To, Outdoor Life, Popular Science, Ski, Ski Business, Sporting News.

Broadcasting

TELEVISION: WVTM-TV, Birmingham, Ala.; KTVI-TV, St. Louis; WETM-TV, Elmira, and WSTM-TV, Syracuse, N.Y.; WHTM-TV, Harrisburg, Pa.; KTBC-TV, Austin, and KDFW-TV, Dallas, Tex.

Cable/video

Times Mirror Cable Television owns 62 cable properties, serving the following areas—ARKANSAS: Jacksonville, North Little Rock. ARIZONA: Bullhead City, Casa Grande, Chandler, Eloy, Fountain Hills, Heber, Lake Havasu, Nogales, Paradise Valley, Phoenix, Rio Verde, Superior, Tempe. CALIFORNIA: Escondido, Long Beach, Palos Verdes, Perris, Victorville. CONNECTICUT: Hartford, Meriden. ILLINOIS: Springfield. INDIANA: Lafayette. KENTUCKY: Ashland, Hopkinsville, Louisville. MASSACHUSETTS: Amherst, Brewster (95%), Brookline, Greenfield, Longmeadow, Palmer, Weymouth (90%). NEVADA: Las Vegas. NEW JERSEY: Point Pleasant Branch. NEW YORK: Riverhead. OHIO: Caldwell, Cambridge, Coshocton, Defiance, Greenfield, Ironton, Logan, Newark, Newcomerston, New Philadelphia/Urichsville, Toronto, Waverly. PENNSYLVANIA: Washington, Williamsport.RHODE ISLAND: Providence, West Warwick. TEXAS: Del Rio, Kerrville, Marlin, Midland, Texarkana, Uvalde. WEST VIRGINIA: Weirton.

Times Publishing Co.

Times Publishing Co., St. Petersburg, Fla., the 72nd largest media company in the U.S., had revenues estimated by Advertising Age at $110 million in 1981, all from media operations.

Revenues increased by 35% from an estimated $81.9 million in 1980. The increase stemmed largely from continued circulation and advertising growth of the increasingly regional *St. Petersburg Times* and *Evening Independent*, in addition to growth in the company's other media operations, *Florida Trend* magazine and "Congressional Quarterly."

The privately held company said an increase in 1981 in part-run advertising, continued penetration of regions north of St. Petersburg and continued editorial innovation contributed to a 10% to 12% increase in advertising linage, despite an across-the-board 9% increase in ad rates.

For the six months ended last March 31, circulation of the morning *Times* averaged 259,715 daily, up 6.3% from the year-earlier period, while Sunday *Times* circulation rose 5.9% to 321,935. Circulation of the *Evening Independent* fell 9.3% to 37,985 copies daily.

Times Publishing Co. outpaced all other Florida papers for the reporting period in morning circulation growth, combined circulation growth for a.m. and p.m. and Sunday circulation growth. Leo L. Kubiet, Times Publishing ad director, said the *Evening Independent*, which has increased circulation every year since the company bought it 19 years ago from Thomson Newspaper Group, would have achieved circulation gains as well had the company not increased its price from 10 cents to 15 cents, and cut back circulation by 4,000 in the Largo, Clearwater and Seminole area north of St. Petersburg to concentrate on city zones.

Times Publishing has been harvesting part-run advertising for years via market segmentation to the north. "Advertisers encouraged us several years ago to publish city-zoned and regional editions," Mr. Kubiet said, "and this has led to extensive rate breakdown for part-runs based on contract size and amount of circulation on a cost per thousand basis."

The company splits St. Petersburg into zones at 49th St., which runs through the center of the peninsular city. The eastern edition, City Plus Bay, takes in the downtown area and some sizable shopping districts and fronts Tampa Bay. The western zone edition, City Plus Gulf, abuts the Gulf of Mexico. These zoned editions are published Thursdays and Sundays and were responsible in 1981 for more than 2.2 million lines of part-run retail advertising, or 50% of the newspaper's total part-run retail linage.

The remaining part-run linage is generated by the five daily regional editions reaching into counties north of Pinellas County (St. Petersburg) and bordering the Gulf. Selling part-run linage allows the paper to compete with the myriad of weeklies and several dailies in those counties.

These editions include, in order northward, the *Largo-Seminole Times* with circulation of 54,060 and *Clearwater Times* with circulation of 47,202, which together contributed 16.5 million retail ad lines in 1981. Continuing north are the *Pasco Times* with 40,477 circulation, *Hernando Times*, 7,206 circulation, and *Citrus Times*, 6,635 circulation. The latter three contributed 4.9 million retail lines in 1981.

In 1981, the company moved into its first satellite printing plant, a $6 million facility housing an eight-unit Urbanite press, in New Port Richey north of St. Petersburg. The plant is expected to minimize distribution problems associated with circulating editions up to 100 miles north of the city.

Penetration in those markets already is heavy. The company has achieved a 45% penetration of the 80,900 households in Pasco County, bordering Pinellas County to the north; 36% penetration of the 15,700 households in Hernando County, and 23% penetration of 23,100 households in Citrus County to the far north.

Times Publishing's *Tv Dial* quarterfold magazine, appearing each Sunday, introduced a coated stock wraparound cover last year and offered three four-color ad positions. Only a few of the cover spots have not been booked for the remainder of 1982. The product offers 72 pages (newsprint) of advertising, tv listings and editorial inside the slick cover.

Florida Trend executives were pleased with the magazine's 823 paid ad pages in 1981, but have greater expectations for 1982. In the first five months this year, the magazine sold 387 pages, up 19% from 324 pages in the year-earlier period.

MEDIA PROPERTIES

Newspapers

FLORIDA: *St. Petersburg Times, St. Petersburg Evening Independent.*

Magazines

Florida Trend.

Other publications

"Congressional Quarterly," publication of the Congressional Monitor.

OTHER OPERATIONS

Modern Graphic Arts.

Triangle Publications

Triangle Publications, Radnor, Pa., is the nation's 17th largest media company, with 1981 revenues estimated by Advertising Age at $502.2 million, all from print media. Triangle had estimated revenues of $461.6 million in 1980, an AA revision of company estimates supplied in 1980.

The privately held company publishes *TV Guide, Seventeen* and the *Daily Racing Form.* The company folded its 16-month-old *Panorama* magazine in June of last year.

Reports circulated last month that Triangle was selling *TV Guide*, the company's dominant property. Triangle president Walter Annenberg denied the reports, saying that the company "was not open to any offers —certainly not at this time."

At that time, Advertising Age quoted sources as saying Mr. Annenberg had begun talks with potential buyers, possibly including Getty Oil, about selling the magazine for $750 million to $1 billion. Getty also denied the speculation.

The company considers continued growth in cable and electronic media the most promising aspect of its future. During March, *TV Guide* expanded its New York metropolitan edition with five additional cable listings; similar expansion was said to be planned for other regional editions as demand grows. All 108 editions of *TV Guide* now carry cable and pay tv listings. The company said that *TV Guide* now reaches 28% of all cable tv households—an even higher percentage than regular tv households.

Nonetheless, with increased competition in cable listings from both new cable magazines and local newspapers, *TV Guide* ad revenues remained flat last year at $239 million, allowing *Time* to edge it out of its three-year position as the No. 1 magazine in ad revenues, according to Publisher's Information Bureau. *TV Guide* ended the year with a circulation of 17.7 million, according to the Audit Bureau of Circulations, representing a 2% drop in the last half of 1981.

The static ad sales were said to be partially responsible for a series of high-level personnel changes that took place during the first half of the year, including the appointment in late January of former national advertising director, Eric Larson, as *TV Guide's* first publisher in 13 years.

Brian Bradfield, general manager, took early retirement, along with several other executives, and Thomas McDonough, previously advertising manager, was named to succeed Mr. Larson as ad director; Robert G. Baumler, formerly eastern regional advertising manager, was promoted to advertising manager. C. Robert Brooks, previously Los Angeles ad manager, was named in December to succeed Richard Cook as West Coast advertising manager when Mr. Cook retired.

Mr. Larson said that certain managers were let go in order to eliminate "redundancy" of some positions that had resulted when the publication combined the national and local sales staff into one force to increase efficiency.

At Triangle's *Seventeen*, ad revenue was up during 1981, despite a slight falloff (0.2%) in advertising pages. Advertising revenue jumped to $22.4 million, up 9.1% from 1980; the magazine's total revenue reached slightly more than $40 million.

Though *Seventeen* has suffered in recent years from a decline in the numbers of its teen age audience, magazine officials said the audience has become "more affluent" and fashion-conscious than teens of the recent past.

Victoria Peslak, formerly editorial art director at *Brides*, was named to the same post at *Seventeen*, succeeding Tamara Schneider, now art director at *Ladies Home Journal.*

MEDIA PROPERTIES

Newspapers

Daily Racing Form.

Magazines

TV Guide, Seventeen.

Tribune Co.

Tribune Co., Chicago, is the nation's 10th largest media company with revenues of $1.17 billion from media operations in 1981, up from $1.05 billion in 1980. Newspapers accounted for $1.02 billion in revenues and radio and tv operations $154 million.

Total operating revenues for 1981 were a record $1.41 billion, a 14% increase over the previous year's $1.2 billion. Net income was $89 million in 1981, compared to 1980's $78 million.

In the first quarter this year, Tribune Co. profits plummeted 97% to just $468,000 from $14.6 million in the year-earlier quarter. The company blamed higher interest expense, reduced interest income and earnings declines in most operations. It said full-year earnings should be "well below" those of 1981.

Late last month, the U.S. Justice Department sued Tribune Co. and its Sentinel Star Co. subsidiary to force them to divest five weeklies serving the Orlando, Fla., area. The action is believed to be the first Justice Department challenge of a daily newspaper's purchase of weeklies in its market. The government said the purchase lessened competition for advertising in the market.

A Tribune Co. attorney called the suit "a test case in terms of shoppers" and said the company will contest the suit "with vigor." Sentinel Star Co., publisher of the daily *Orlando Sentinel*, bought the five weeklies for $4.1 million two years ago. According to the Justice Department the daily and weekly papers of Sentinel Star Co. accounted for 100% of all print advertising in Osceola County in 1979, with the weeklies accounting for 36% and the daily 64%. The papers as a group accounted for 60% of all advertising in the market, according to the suit.

Tribune Co., a privately held company, continues to chisel out new corporate directions as it inches away from newspapers and moves more toward broadcast and cable operations.

This year witnessed an unsuccessful, at times embarassing, attempt to sell the ailing *New York Daily News*—and then a recanted decision to keep it; an ongoing struggle to improve profits at the flagship *Chicago Tribune*, and a bolstering of broadcast operations by forming Tribune Co. Broadcasting Inc., a new subsidiary.

As these changes take shape the Tribune Co. is increasing its grip on cable-tv and other diversification ventures—including baseball via last year's purchase of the Chicago Cubs.

The troubled *News* had a $12.6 million operating loss last year, and Tribune Co. has said the paper will lose up to $30 million this year.

Throughout the winter the company attempted to sell the *News* to Texas finanacier Joe Allbritton, former owner of the *Washington Star* and present owner of smaller newspapers. Yet, that sale was thwarted when the newspaper's 11 unions could not reach contract agreements with the potential buyer. As negotiations sputtered Tribune Co. president Stanton Cook labeled Mr. Allbritton the "buyer of last resort" and warned unions the *News* would fold if the impasse was not broken.

Nevertheless, talks between the unions and Mr. Allbritton broke off in April and the Tribune Co.'s hardline position was reversed when it reclaimed the *News.*

Still, Chicago-based Tribune Co.'s commitment to keeping the paper viable is being questioned by the unions and local advertisers. Some contend the company's credibility has been destroyed because of the *News* episode, and they suspect the Tribune Co. braintrust's only plan is to buy out the various labor contracts and lower operating costs to make the paper more attractive to potential buyers.

Tribune executives contend a plan is on tap that will keep the *News* afloat well into the 1990s. Last month it said it plans a two-year staff reduction of 1,340 jobs—a fourth of the payroll—and that it will spend $44 million to improve printing facilities and $48 million in early retirement pay to union workers. *News* publisher Robert Hunt said the moves would reduce costs by $55 million a year by 1984.

The flagship *Chicago Tribune* continues to lose circulation despite spending heavily on its "Zingo Bingo" game to attract customers. Daily circulation for the six months ended March 31 averaged 770,798, down from 790,475 for the year-ago period, according to most recent figures from the Audit Bureau of Circulations. *Tribune* operating profit last year was higher than in 1980, however, because of an in-house austerity program and increases in both circulation and advertising rates.

Changes are also under way at Tribune Co.'s *Fort Lauderdale* (Fla.) *News* and *Sun-Sentinel*, where a merger of the editorial staffs is near completion. Fort Lauderdale management recently stated it will soon have to confront the possibility of merging both papers into a single 24-hour daily.

The *Orlando Sentinel*, with a daily circulation of 200,000, is in the thick of a central Florida circulation war and appears to be holding its own.

Attempting to cash in on the lucrative video programing market, Tribune Co. created a broadcasting subsidiary to acquire, produce and distribute tv programing for tv stations, cable tv systems and other video technologies.

Sheldon Cooper, former president and general manager of Tribune-owned WGN-TV, has been named president of the subsidiary.

In broadcasting, WGN-TV and WGN-AM in Chicago have received the bulk of the media concern's attention lately. WGN-TV has pumped up its coverage of local news and has added the Tribune Co.'s Independent Network News show to the roster. Also, it has added popular local sportscaster Harry

Caray to the Cubs broadcast team and has accelerated its already extensive sports coverage. It has also hired film critics Gene Siskel and Roger Ebert away from the Chicago PBS station and will feature them in a movie review show similar to their syndicated "Sneak Previews," shown on PBS stations.

WGN-AM has also undergone some on-air changes. It has added talk show host Eddie "Chicago" Schwartz to the all-night program, potentially giving the talk-news station a powerful one-two punch in the form of Mr. Schwartz in the late night and the Chicago ratings leader Wally Phillips during morning drivetime.

Even the Chicago Cubs—considered by many to be the company's future cable draw—have undergone a facelift. For the first time in the club's existence a marketing plan is emerging. Tribune Co. hired former Philadelphia Phillies manager Dallas Green to be the Cubs' general manager and he has installed the slogan, "Building a new tradition," for the team that has not won a pennant in more than 30 years.

MEDIA PROPERTIES

Newspapers

CALIFORNIA: *Daily News* (Van Nuys), *Escondido Times-Advocate, Palo-Alto Peninsula Times Tribune.* FLORIDA: *Fort Lauderdale News, Fort Lauderdale Sun-Sentinel, Orlando Sentinel.* ILLINOIS: *Chicago Tribune.* NEW YORK: *New York Daily News.*

Broadcasting

TELEVISION: KWGN-TV, Denver; WGN-TV, Chicago; WPIX-TV, New York.

RADIO: KNGR (am) and WCTC (fm), Sacramento, Cal.; WICC (am), Bridgeport, Conn.; WGN (am), Chicago; KDAL (am), Duluth, Minn.; WPIX (fm), New York.

Cable/video

Tribune Co. Cable, serving CALIFORNIA: Palmdale/Lancaster. LOUISIANA: Slidell. MARYLAND: Gaithersburg (88%). MICHIGAN: Houghton. MINNESOTA: Glencoe. NEW MEXICO: Albuquerque. NEW YORK: Glen Falls, Oneida, Fredonia. TENNESSEE: Jackson.

OTHER OPERATIONS

Chicago Cubs baseball team, Ontario Paper Co., QNS Paper Co., Quebec & Ontario Transportion Co., Tribune Syndicate.

Turner Broadcasting System

Turner Broadcasting System, Atlanta, is the nation's 82nd largest media company with 1981 revenues from media operations of $83 million out of total revenues of $95 million. In 1980, it had media revenues of $42.7 million out of total revenues of $54.6 million.

Turner is a public company made of several separate but interrelated operating segments. The operations include broadcasting as well as a cable production company.

The broadcasting operations consist solely of WTBS-TV (Channel 17), a UHF station in Atlanta. Even though the station broadcasts out of Atlanta, most of its viewers are located outside. WTBS is known as a "superstation"—one of the few tv stations in the country whose signals are transmitted across the country by satellite and received through cable systems.

The company estimates that WTBS was available in approximately 19 million cable tv households and an additional 1 million households at night. The total represents 66% of the nation's cable households and approximately 25% of broadcast tv homes. Ted Turner, president of Turner Broadcasting, estimates that WTBS will reach 30% of all tv homes by the end of 1982.

WTBS' audience has not gone unnoticed by national advertisers. In 1981, the station earned $55.3 million from ad revenues—an increase of nearly 59% over the 1980 revenues.

The prospects look even better for 1982. According to BAR Cable Advertising Service, national advertisers spent $16.2 million on WTBS, in the first quarter of 1982. Local ad spending was not counted.

WTBS' success has led other tv stations to attempt a similar satellite-transmitted distribution service. Among the imitators are Chicago's WGN-TV and New York's WOR-TV.

Turner Broadcasting's cable production segment is composed of CNN and CNN 2—two 24-hour news channels available to cable tv systems throughout the nation.

CNN commenced operations in June, 1980, to approximately 1.7 million cable subscribers. Since then it has grown rapidly. As of Dec. 31, 1981, it was reaching 10.6 million cable tv households in all 50 states. CNN's programing consists of comprehensive and up-to-date reporting of domestic and international news, sports, business and weather, plus analysis, commentary and reports by a staff of experts and reporters. The network has established its own news bureaus in New York, Washington, Chicago, Los Angeles, San Francisco, Dallas, Rome, London and Atlanta.

On Jan. 1, 1982, Turner Broadcasting launched CNN 2, a second all-news network. The new network is already available in 1.1 million cable homes. However, it is not expected to reach its projected yearend goal of 4 million.

CNN receives its revenues from monthly fees per subscriber household as well as the sale of national advertising. CNN 2 is provided to subscribers free of charge and will receive its revenues primarily from advertisers and the sale of syndicated programs to over-the-air television and radio stations.

Advertising for WTBS and CNN is sold by the company's own advertising sales force located in New York, Chicago, Detroit, Los Angeles and Atlanta. At the end of 1981, the company also signed an advertising agreement with Warner-Amex Satellite Entertainment Co. (WASEC). Under the agreement, WASEC will sell advertising on CNN and CNN 2 and receive 10% of the net sales.

Cable revenues for the company increased to $27.7 million in 1981 from the 1980 figure of $7.2 million. However, it continued to show an operating loss. The 1980 losses for the cable operations amounted to $16 million. In 1981, the amount had been reduced to $11 million.

Starting June 21, CNN and CNN 2 will have a new competitor—Satellite News Channels. The service is a joint venture of Westinghouse and ABC and will initially reach about 1.5 million cable subscribers.

Within a very short span of time, Ted Turner and his Turner Broadcasting have acquired the reputation of media mavericks. Turner pioneered the idea of a satellite-transmitted tv station and transformed a lowly-rated uhf station into one of the nation's most visible.

The idea of an all-news cable network also went against the grain of expert advice. Nonetheless, CNN and CNN 2 are in operation and highly competitive with network newsgathering operations.

Soon, Turner plans to broadcast 17 hours of daily CNN programing to the Far East via a Pacific satellite.

The year has seen some major personnel changes at Turner Broadcasting. CNN president Reese Schonefeld has resigned and will be replaced by vp Burt Reinhardt and another CNN vp, Ed Turner.

In addition, a number of the network's experts—psychologist Joyce Brothers, movie reviewer Christian Williams, satirist Mark Shields and gossip reporter Rudy Maxa—have not renewed contracts.

MEDIA PROPERTIES

Broadcasting

TELEVISION: WTBS-TV, Atlanta.

Cable/video

Cable News Network: CNN and CNN 2.

OTHER OPERATIONS

Atlanta National League Baseball (ANLBC) owns the Atlanta Braves baseball team and operates farm clubs in Savannah, Ga.; Anderson, S.C., and Richmond, Va.; The Atlanta Hawks Ltd. (AHL) controls the Atlanta Hawks basketball team.

United Cable Television Corp.

United Cable Television Corp., Denver, the nation's — 94th largest media company, reported revenues of $62.8 million and operating income of $24.9 million in fiscal 1981, all in media. This financial performance was outstripped by the first three quarters of fiscal 1982, which closed May 31.

Through the first nine months of the new year, the publicly held United Cable had amassed revenues of $68 million and operating income of $25.5 million. At an annualized rate, year-end figures will be in excess of $95 million and operating income more than $35 million, the company estimates.

During the nine-month period, United Cable increased its homes passed from 752,820 in fiscal 1981 to 860,000. Another 340,000 homes passed are expected to be added in the final quarter bringing yearend 1982 homes passed under franchise to about 1.2 million.

Much of the increase in homes passed came from hookups in the Denver suburbs and Boise, Ida., area. More will come online in the next fiscal year through new franchises awarded by Alameda (28,000 new subscribers expected) and Hacienda Heights, Cal. (40,000); Scottsdale, Ariz. (51,000); Oakland County, Mich. (a joint venture with the Tribune Co. of Chicago that is expected to bring in 105,000 subscribers), and Chaska and Shakopee, Minn. (8,000). The company is pursuing hotly contested franchises in Sacramento, Cal., and Montgomery County, Md. The Alameda, Hacienda Heights and Oakland County franchises each will have more than 100 channels. (Although 54 channels is the state of the art, many of the newer-bid systems double that by running dual cable to get 108 channels.) Scottsdale will have 54 channels.

Fiscal 1982 includes a quarter's result from Home Entertainment, a subscription operation United Cable purchased Feb. 12 from Buford Television of Tyler, Tex., which retains a minority position. The stv operation, which services Cincinnati, Dayton and Chicago, and is to begin servicing Minneapolis-St. Paul in the fall, has more than 110,000 current subscribers. With subscribers paying an average of $21, the service was expected to add $7 million to total revenues by the end of the fiscal year. United Cable owns 80% of the stv service through its infusion of $20 million, a financial package of debt and equity.

Capital spending, a byword for active cable operators, totaled $52.5 million in the first nine months, with contributions coming from the $26 million in cash flow from subscribers during the period.

Last year, the company had $60 million in capital expenditures, a good part of that coming from two common stock offerings generating $53.5 million for equity investment, and much of it going toward outfitting the Denver suburban area for cable. The company had hoped to add the city of Denver franchise to its suburban service this past

Entrepreneurship: It's in the blood

At an age when many executives at the top would be enjoying the view, Monroe M. Rifkin, 51, has abandoned the corporate suite to launch his own business.

Not that Mr. Rifkin, former head of Time Inc.'s cable television operations, is stepping out into unknown territory. He founded American Television & Communications Corp. in 1968, and had helped build ATC into one of the largest cable systems in the country when Time acquired it 10 years later.

But Mr. Rifkin grew restless, and not because he's a lover of the unstable life—he's a director at two different Colorado banks, has holdings in real estate and is an "avid, but not crazy, skier."

Rather, he has joined millionaire oilman Marvin Davis to form Rifkin-Fox Communications, Denver, because "I'm an entrepreneur by nature." That, he says, is the basic difference: "Ownership—the fact that I'm a partner—makes it very personal.

"An entrepreneur craves ownership," he adds. "At Time or some other large corporation, you can't have that."

Like Marvin Davis, Mr. Rifkin enjoys working with his enterprises, but doesn't like to talk about them.

Rifkin: Another venture

"I don't like a lot of visibility," he says. "Let the companies speak for themselves."

He will say that he first started working with cable as an executive vp at Teleprompter Corp. (now Group W Cable) in 1959. He was in charge of closed-circuit prize fights, and a contact of his led to Teleprompter's first cable buy—three small systems.

These days, Mr. Rifkin is staging other kinds of battles. As vice-chairman of the National Cable Television Assn., Washington, he has been a strong backer of a House bill that would protect cable's interests in sports from such things as the contention by powers in professional sports, especially baseball, that any kindred game in a community should be blacked out when the local professional team is playing at home.

At Rifkin-Fox Communications, Mr. Rifkin is the managing partner and will make the key decisions along with Mr. Davis, who bought Twentieth Century-Fox Film Corp. for $725 million last June and made it a privately owned company. Mr. Rifkin says he and Mr. Davis are longtime acquaintances.

year, but lost out in the bidding to Mile High Cablevision, a joint venture of Daniels & Associates and Time Inc.'s American Television & Communications Corp.

United Cable continued to experiment with pay-per-view and cable advertising in the 1982 fiscal year. United Cable sees the addressable converter as the "real boon" to pay-per-view, according to treasurer Bill Elsner, who says the company's use of the disposable filter in the past is an inconvenience to the customer, compared with the converter. With the disposable filter, the customer must pick up the filter at the cable headquarters and install it for the one-time telecast. The company is investigating different types of addressable converters. The converters can be activated at the cable head-in for the market. Such converters are to be made available in construction of the Scottsdale system.

Meanwhile, United Cable generated $250,000 in advertising during fiscal 1981 from its Tulsa franchise and was expected to top $660,000 for fiscal 1982 there. The company was also expected to gain $400,000 more through franchises in Carpentersville, Ill.; Hammond, Ind.; Plainville, Conn., and Bellevue, Neb., says Dave Walstrom, director of ad sales, who was hired away from General Electric's broadcast division during the year.

"The business is changing so rapidly that it is hard to get a fix on advertising. Advertising on cable has started out like tv, but cable is beyond tv, having the segmentation and target ability like radio and magazines," Mr. Walstrom says.

Mr. Walstrom notes United Cable is building a prototype for cable advertising in Tyler, Tex., which will be "up and running in a couple of months." The prototype would help determine station equipment needed for advertising insertions, trafficking and marketing and promotion of cable advertising. Advertising in Tulsa and elsewhere is based on rather traditional tv-type sales, although "considerable creative mixing and matching is required to support satellite nets," he says.

Once the Tyler experiment is completed, Mr. Walstrom expects advertising to be initiated into systems, among others, in Tyler; Boise; Abilene, Tex.; Casper, Wyo.; the Denver suburbs, the Bay Area of California; Bossier City, La.; Ocean City, Md., and Grand Junction, Colo.

MEDIA PROPERTIES

Cable/video

Systems in 17 states. ARIZONA: Scottsdale. CALIFORNIA: Alameda, Cupertino, Foster City, Hacienda Heights, Hayward (80.5% interest), San Leandro (80.15%), San Lorenzo (80.5%). COLORADO: Arvada, Denver (suburbs), Grand Junction. CONNECTICUT: Bristol, New Britain (50%), Plainville. IDAHO: Boise. ILLINOIS: Carpentersville (80%), Effingham, Galesburg (50%), Mendota, Monmouth (50%), Peru-LaSalle. INDIANA: Hammond. LOUISIANA: Bossier City. MARYLAND: Berlin-Ocean City (50%). MICHIGAN: East Lansing (96.5%), Gibraltar, Lincoln Park, Meridan, Oakland County (50%), Woodhaven. MINNESOTA: Chaska, Shakopee. NEBRASKA: Bellevue (40%). NEW MEXICO: Gallup, Santa Fe (80%). OKLAHOMA: Tulsa (91%). TEXAS: Abilene, Anson, Hamlin, Jacksonville, Perryton, Rotan, Sweetwater, Tyler. UTAH: Moab. WYOMING: Casper.

U.S. News & World Report

U.S. News & World Report, Washington, is the 61st largest media company in the country, with revenues from media properties of $127 million, 94% of total revenues of $135 million, according to the company.

The weekly news magazine accounts for $115 million total revenues. The remaining media revenues come from newsletters, interests in radio programing and electronic publishing services. A book division is not included in media.

Company president James McIlhenny said 1981 brought two pleasant surprises and a disappointment. The first success comes from the company's newly created subsidiary, Publishers Services International (PSI). According to Mr. McIlhenny, after six months in operation PSI is operating as a network. The division has sales commitments of more than $10 million annually, offices in three states and contracts for transmission services and computer typesetting with more than 50 publishers.

Mr. McIlhenny said the company is "proceeding optimistically" with the venture, but can't be expected to come full-blown into such a costly business.

The other area of strength came from the "Washington Newsletter," the four-page weekly circulated to business and professional people with investment interests. Circulation increased by 18% between 1980 and 1981 and editor Paul Hencke said the reason is threefold: The company increased the newsletter's direct-mail promotion, it enjoys a ruboff from *U.S. News & World Report* and "in times of uncertainty people look for information to dispel that uncertainty." However, Mr. Hencke said the newsletter still has some distance to go before reaching its circulation goal of 100,000 to 150,000.

The company's book division provides the soft spot. Mr McIlhenny said there has been a slack in all book business and U.S. News has slowed down its movement in this division, with only seven titles released in 1981.

There is also a new face in the chairman's seat, former vp of circulation, Samuel Kecker. He replaced John Sweet, who retired after serving as the guiding force at U.S. News for more than 35 years.

While *U.S. News* still trails *Time* and *Newsweek* in circulation, the company continues to solidify its image among both readers and the advertising community. Since moving its advertising account to North Castle Partners in 1981 the company has "significantly increased its advertising outlays," said Mr. McIlhenny.

The first part of the campaign aims to get readers to understand the personal side of the magazine by profiling editors who are "news buffs." Mr. McIlhenny said the second part is directed toward the ad community and deals with efficiency and cost-per-thousands. He also said the magazine has a "vast" special advertising and promotional budget targeted for specific industries.

In an earlier interview, publisher William G. Dunn touched upon some of the challenges that are facing the magazine industry today. He said the competition posed by the cable industry should not be viewed as a threat, but turned into a collaboration; with cable benefiting from a magazine's ability "to get stories and get the news," and magazines taking advantage of cable's immediacy.

Dunn's parent company has done just that through its association with Parkway Communications Corp., a major producer and distributor of fine arts radio programing. *U.S. News* hired Nat Kingsley prior to purchasing Parkway to develop the magazine's resources on a cable format.

Neil Currie, president of Parkway, said *U.S. News* was looking for a partner with the same image and demographics as the magazine. Parkway's ventures into network and satellite technology will allow *U.S. News* to develop "thoughtful interviews," Mr. Currie said, drawing upon the magazine's imprint. Currie said Parkway has experienced a 20% annual growth over the past six years and hopes the relationship with *U.S. News* will strengthen that number.

The company also broke ground in June on the development of some of its downtown Washington land. The site will be used for a major hotel, office building and high-rise condominium complex. The center is expected to be completed in 1983, at an estimated cost of $2 million.

MEDIA PROPERTIES

Magazines

U.S. News & World Report.

Newsletters

"Washington Newsletter" (weekly), "Washington Business Report" (monthly), news syndication service.

Broadcasting

Parkway Communications (radio programing).

OTHER OPERATIONS

Book division, Publishers Service International (electronic publisher services).

Viacom International

Viacom International, New York, is the country's 49th largest media company with media revenues of $164.5 million, 78.2% of total revenues of $210.4 million.

The company increased total revenues 31% from $160.2 million in 1980. Its earnings increased from $28.3 million in 1980 to $31.3 million in 1981 for a 10.6% increase.

Cable tv contributed the largest share of revenues, with $85.2 million gleaned from basic and pay subscribers in 548,632 homes.

Adding $83.5 million were the company's broadcast services, which include 50% interest in Showtime Entertainment, the nation's second-largest pay-tv network, owned jointly with Westinghouse's Group W Cable (formerly Teleprompter). Viacom consolidates 50% of Showtime's revenues.

Broadcast also includes revenues from two tv and four am and four fm stations in five major markets—New York, Washington, Memphis, Houston and Oakland/San Francisco.

Amid the tempest at the *Daily News*

When Robert Hunt left his position as president-chief executive officer of Chicago Tribune Co. in 1979 to become president and publisher of the *New York Daily News*, also owned by the Tribune Co., associates said the former ad salesman was attracted to the challenges offered by the New York paper.

It now appears, as Tribune Co.'s embarrassing, suddenly retracted, attempt to sell the *News* suggests, that Mr. Hunt walked into a problem whose dimensions neither he nor the Chicago braintrust fully appreciated.

According to Tribune Co. sources, other company executives had argued that the "challenges" posed by the *News* might be too complex and difficult for anyone to meet and warned that they were clearly beyond the ken of Mr. Hunt.

"Bob Hunt is an amiable, jolly man, but I don't think anyone who knows him well would call him very intelligent or deep," says one former Tribune Co. executive, who claims he was among those asking if the company was sending the right fireman to New York.

But even those who doubted Mr. Hunt's—or anyone's—ability to reverse the slide of what was at the time the country's largest daily newspaper give him credit for realizing that something drastic had to be done, and doing it. In an attempt to capture the "upscale" audience so beloved by advertisers, Mr. Hunt in 1980 started *Tonight*, a magazine-style afternoon edition that folded a year later and cost the company an estimated $11 million.

"Bob Hunt's answer was to start *Tonight*," says the former Tribune Co. executive. "It wasn't a good plan, but at least it was a plan, which was more than other people had."

The failure of *Tonight*, regarded by some as an impossibly schizophrenic attempt to capture an elite readership at the same time the *News* hoped to hold on to its traditional working class clientele, apparently triggered the Tribune Co.'s later decision to sell the paper. That decision was reversed when a buyer could not be found.

Hunt: An image problem?

Many *Daily News* insiders, even those who admire Mr. Hunt, believe that the 54-year-old publisher has an image problem that has contributed to the *News'* difficulties, particularly in the months after the folding of *Tonight* and during and after the five months when the *News* was on the block.

His penchant for privacy—surprising for a man remembered by some as a glib backslapper—during a period when the media world, New York community leaders, advertisers and, indeed, the very public that the *News* was courting were keenly interested in the paper's fate, was particularly nettlesome to some. He adamantly shunned interviews and contact with the media, even going so far as to refuse to hold a press conference when the Tribune Co. decided it was going to keep the paper, leading to increased speculation about his control of the situation. Was he still around? Was he about to be fired? Had he become overwhelmed by it all and given up the fight?

When the inevitable stories did leak out, they tended to be unflattering. One told of a meeting that Mr. Hunt called with *News* staffers at which, apparently in response to internal mutterings about the "turkeys from Chicago" who had screwed things up, he staged a flustered and awkward defense of himself.

But despite his image problems, the still-real financial woes of the *Daily News* and the numerous predictions that his days at the *News* were numbered, Mr. Hunt remains as publisher. And from all reports—he continues to avoid the press—he remains optimistic both about the paper and his future there.

In May, he and other *News* executives outlined a plan to make changes at the paper that Mr. Hunt called a "workable, realistic blueprint" to assure the survival of the *Daily News.*

Showtime, formerly a CBS-owned entity, was forced to spin off in 1971 after the Washington regulators ruled domestic syndication and cable systems ownership out of bounds for the Big Three conventional tv networks. (Now CBS has taken the lead to muscle the major networks back into part of this field, having established a new foothold in cable ownership through a Federal Communications Commission waiver for 90,000 cable homes.)

Not counted by AA as media was tv programing and distribution with $45.9 million in revenues. Sales of $4.2 million between Viacom units also were recorded and appear as an "elimination" on the balance sheet.

The last decade has been a period of steady growth for Viacom, where top management has remained constant. The company has increased its holdings in cable systems, expanded in network and syndication programing and moved into broadcast station ownership. Like all the other major multiple systems operators, this company has won some and lost some in the franchise infighting at city halls around the country.

Victories have come in Wisconsin, California and Ohio. In San Francisco the mso was awarded a 20-year contract extension on the basis of an ambitious plan for modernization and improved services. Currently, Viacom systems scattered across the country list about 600,000 basic subscribers, nearly 70% of whom buy at least one premium pay service. Pay-per-view has been tested in Nashville, Tenn., and San Francisco.

In the Seattle-Everett area, all the Seattle SuperSonics professional basketball games are being offered live to Viacom subscribers. Fans are charged a flat fee of $120 for the season.

Meanwhile, Viacom has not been putting its name in as many franchise pots as, say, Warner Amex, but there were several applications pending in 1982, enough to almost double the company's homes list, according to the annual report, which promised "to continue to seek new franchises in economically sound areas and maintain the growth of our present systems through a constant program of innovation and improvement."

Viacom has been in the vanguard of pioneers who are organized and staffed to sell local advertising for its largest systems. In some cases reps help with this assignment, and on-the-wire ads are sold in combination with print ads in the local cable guides.

There was speculation after Westinghouse Electric Corp. bought Teleprompter Corp. that either Westinghouse or Viacom would try to acquire the other's half of Showtime. But so far neither seems inclined to bow out as a partner in an in-the-black, growing network.

Showtime reaches more than 3 million homes via 1,500 systems. It is the only profitable national cable network, other than Time Inc.'s Home Box Office. Showtime is talking an additional service, presumably to counter HBO's Cinemax.

Chairman Ralph Baruch and president Terrence Elkes obviously are bullish on cable programing. As one example, Viacom owns a big chunk of the new advertiser-supported Cable Health Network.

Viacom Enterprises reported revenues of $45.9 million in 1981 from sales to network tv, pay cable and local tv. Viacom claims this makes it "the world's leading independent distributor of tv programing." The syndication vault includes such durable off-network favorites as "All in the Family," "The Mary Tyler Moore Show," "I Love Lucy" and the "Bob Newhart Show." Among the latest additions: "Hawaii Five-O" and Clint Eastwood in a 1982 rerelease of "Rawhide."

The company seems to do well with syndication and other ancillary rights to more than 100 feature films. Merchandising rights to Mighty Mouse and other Terrytoons characters date back to the CBS-ownership era.

In the broadcast ownership division, the Viacom sales curve has been up for tv and radio. WVIT-TV, an NBC affiliate in New Britain-Hartford, Conn., reported its best year ever, despite the network's rating troubles.

WNYT-TV, Albany-Syracuse, another NBC affilate, put up an earth station to take shows off the satellites, as did WVIT, and enlarged its studios and newsroom, hoping to attract more viewers and advertisers.

WLAK, an fm radio station in Chicago, joined the Viacom group through acquisition early in 1982, and, like the other three fm and four am stations, is being programed to appeal to the 25- to 49-year-old market. Some of the stations are skewed toward blacks; others, including WKHK, New York, run country and western music.

Viacom gave WWRL, New York, to the United Negro College Fund.

MEDIA PROPERTIES

Broadcasting

TELEVISION: WVIT, New Britain/Hartford, Conn.; WNYT, Albany, N. Y.
RADIO: KDIA (am), Oakland, Cal.; WLAK (fm), Chicago; WKHK (fm), New York; WDIA (am) and WRVR (fm), Memphis, Tenn.; KIKK (am) Pasadena and KIKK (fm) Houston, Tex.; WMZQ (fm), Washington.

Cable/video

CALIFORNIA: Diablo, Mountain View, North Bay, Nor Cal Cablevision (40% owned, serving Biggs, Colusa, Gridley, Marysville, Oroville, Paradise, Wheatland), San Francisco. NEW YORK: Suffolk County. OHIO: Cleveland, Dayton, Shaker Heights. OREGON: Salem. TENNESSEE: Nashville. WASHINGTON: Bellevue, Seattle, Snohomish. WISCONSIN: Milwaukee. In addition, Showtime (50% interest), Cable Health Network (majority share). Also, Viacom Enterprises, movie, tv, cable distribution and production.

NEEDABLE.

THE MOST COLORFUL NEWSPAPER IN THE #1 SMSA

The Record introduces a major advance in spot and process color capability on newsprint.

'**Sensational**' is the at-first-sight reaction of all who have seen The Record's new offset color reproduction. **See it and you'll agree.**

It captivates eyes, glorifies products, and should animate your sales in a $9.6 billion market, Bergen County, New Jersey — with additional EBI in adjacent Passaic and Rockland Counties. And, no other newspaper reaches Bergen like The Record — it tops The New York Times 3 to 1.

Give your ads the visual magnetism, the quality, and the selling power which they deserve. Special sale on full color from July 12 to Sept. 30...from $75.00.

Additional information is available from Bernard Schraer, advertising director, (201) 646-4259 — or from The Record's national representative, The Sawyer-Ferguson-Walker Company.

The Record

Bergen

N.Y.C.

NEW JERSEY'S LARGEST EVENING NEWSPAPER

NY/NJ SMSA INCLUDES THE FIVE BOROUGHS OF NEW YORK CITY, AND THE SUBURBAN COUNTIES OF WESTCHESTER, ROCKLAND, AND PUTNAM, N.Y., AND BERGEN COUNTY, N.J.

SOURCE: © S&MM Survey of Buying Power, 1981 • The Scarborough Report, 1982

Warner Communications

Warner Communications, New York, is the country's 71st largest media company, with media property revenues estimated by ADVERTISING AGE at $110.5 million, or 3.4% of total revenues of $3.24 billion in 1981. Warner had estimated media revenues of $76.5 million in 1980, or 3.8% of total revenues of $2.06 billion.

The worldwide communications and entertainment conglomerate drew media revenues from its 50% share in Warner Amex (a joint cable venture with American Express Co.), and from E.C. Publications ("Mad" magazine) and DC Comics in its publishing division.

The joint venture, which consists of Warner Amex Cable Communications and Warner Amex Satellite Entertainment Co., produced total revenues of $177.2 million last year (half of which is allocated by AA to Warner's media revenues).The company said heavy development costs caused the joint venture, formed in December, 1979, to lose money. The number of Warner Amex cable system subscribers increased by 17% to 863,000, while total pay subscriptions nearly doubled to 545,000. Warner Amex expects "well over" 1 million subscribers by the end of this year.

The number of homes under Warner Amex franchise grew by 675,000 with the addition of 26 franchise awards during the year, bringing total homes under franchise to 3.4 million, a 91% increase in the past two years. The system got its biggest boost during the year when New York City's Board of Estimate voted to grant Warner Amex franchises including about 580,000 homes in the boroughs of Queens and Brooklyn. The 50/50 partnership also was awarded franchises for more than 50,000 homes in five suburban Chicago communities.

Revenues from tv series and theatrical films in tv distribution, not included in media revenues, rose 5% in 1981 to $315.3 million. Licensing feature films to tv showed gains in all markets, with revenues hitting $160.3 million, up 12% from 1980. Tv series and other programs decreased from $156 million to $155 million. Revenues from films in theatrical distribution were $439.9 million, bring-

A window to Knight's empire

By John Sugg

After the largest marriage in newspaper history, the 1974 union between Knight Newspapers and Ridder Publications, executives of both companies began jockeying for office space on the sixth floor of the *Miami Herald* building.

The only sure way to tell who was important in the new bureaucracy, it was said, was to count the number of windows an executive had facing Biscayne Bay. Someone with an inside office and no bayside windows was an underling. Prestige and power could be reckoned as the horizontal expanse of glass overlooking the water increased.

James K. Batten has three windows on the bay, which is quite good. His title, since last April, is president of Knight-Ridder Newspapers. He has become that by taking the proverbial trip up through the ranks, from foot-sore reporter on the Charlotte Observer, to harried editor and then through the Knight-Ridder corporate ranks.

Mr. Batten still has a way to go. There are other offices on the sixth floor with more windows.

There also is the person of Alvah Chapman, 61, the almost legendary media business wiz who inherited the mantle of power from John and James Knight, and who has guided Knight-Ridder to its position as an industry superpower, with revenues more than tripling in the last decade to $1.24 billion last year while profits soared to $100.4 million from $27 million in the same period.

Since becoming executive vp of Knight Newspapers in 1967, Mr. Chapman has been the company's pivotal figure. Upon assuming the chairmanship in April, he transformed the position from a largely honorary sinecure to an active command post. Illustrating that, he retained the title of chief executive officer he had held as president; in addition, several key vps will bypass Mr. Batten in the new corporate structure and report directly to Mr. Chapman.

"Jim's role is very much that of the understudy," says another Knight-Ridder executive. "His promotion [to president from senior vp] confirms him as the Prince of Wales. It does not make him king."

But Jim Batten, a rolled-up-shirtsleeve executive whose informal manner contrasts with and balances the austere formality of Mr. Chapman and other Knight-Ridder executives, has emerged as the clear successor to the throne, and already commands a regal amount of respect in Knight-Ridder's far-flung empire. Reporters and editors in several newsrooms express admiration, loyalty and occasionally affection toward their new president. Newspeople perceive him as one of their own in the perpetual intramural warfare between newspapers' editorial and business operations.

But executives in the company's business operations are no less reluctant to praise him, invariably noting that he has been the point man in the development of Knight-Ridder's technological marvel, the Viewtron project.

"I still have a strong interest and responsibility on the news side," Mr. Batten says. "But I have many other responsibilities. News is only part of this new job."

Despite his gray hair, Mr. Batten looks years younger than his age of 46. His manner remains that of an editor accustomed to making on-the-spot decisions, with quick, forthright answers to questions. His management objective, he says in an interview, is to "stay on the right side of the line between stupidity and wisdom."

In his southern-bred manner, Mr. Batten laces his conversation with a string of anecdotes. In explaining why he feels the company's newspapers need more "mini-news," he recalls that for him the most important story in the *Herald* one recent morning was about a filling station being torn down to make room for a fast-food restaurant.

"That garage was where I took my car," he says with a smile. "It had taken me a long time to find a good mechanic."

From that personal experience, Mr. Batten builds some observations on newspapers in general. "Newspapers 20 or 30 years ago got away from small-bore news," he says. But "people really live in their kitchens and at PTA meetings. We have gravitated away from readers at our own peril."

Historically, when Knight-Ridder has perceived a threat, it has chosen to absorb it. That is most evident at the *Herald*, which contributed 19% of Knight-Ridder's $1.23 billion in revenues last year.

For example, while its editorial functions remain independent, the business operations of the *Miami News*, owned by Cox Newspapers, are controlled by the *Herald* through an agency agreement.

Moreover, despite the *News'* astounding circulation slide—perhaps one of the longest in American newspaper history—the *Herald* helps maintain distribution of the *News* at a level of 60,905 copies daily for the six months ended March 31—sufficient to keep another afternoon newspaper such as the *Fort Lauderdale News* from entering the market.

Batten: A VIP at K-R

Knight-Ridder management has attempted to protect its newspaper franchises partly by delivering a quality editorial product featuring, in many cases, innovative sections that attract specific audiences, enabling advertisers to make more efficient buys.

One problem facing newspapers, Mr. Batten notes, has been their "horizontal" distribution—they measure "success" by the amount of circulation. However, the ailing and failing newspapers have not lacked large circulations. What the weak papers have starved for is "vertical" appeal to a specific audience.

Mr. Batten points to the *Herald's* highly successful Business/Monday section as an example of the company's attempt to appeal to a definite, affluent readership. The company has since launched similar business sections in Detroit; St. Paul, Minn.; San Jose, Cal., and Charlotte, N.C.

Mr. Batten says such sections will become increasingly important, and increasingly refined. He cites, as another example of "demographic zoning," *El Herald*, the Spanish-language section inserted into the regular *Herald*. "*El Herald* is an interesting precedent," he says. "We may well build on it."

Indeed, there has been talk at the *Herald* for years—as well as at other newspaper companies—of a newspaper that would expand on the philosophy of El Herald and the separate business sections to produce a "newspaper" with sections that are bought separately by readers.

In some of its markets, Knight-Ridder has consolidated operations. A case in point is Wichita, where the two company papers have been combined into one. "We felt we could do a better job with one very good paper in that market," Mr. Batten says, "than with one fairly good paper and one paper that no one really cared about.

In Charlotte, where Knight-Ridder publishes the *News* and the *Observer*, the company shut down the Saturday *News*. "What we have now is a better five-day paper," Mr. Batten asserts. "These things are not a sign of weakness, but of a need to adjust."

All this, says Mr. Batten, who admits to regarding newspapering as akin to a religion, underscores his and Knight-Ridder's faith in the business. "Newspapers overwhelmingly are very successful," he says. "Their fundamental health is good. You ought not to confuse problems of a few big city papers with the industry as a whole."

Knight-Ridder most assuredly will not relax its vigilant stance toward competition, present or prospective, however. As it has done in some cases with rival print media, the company has reacted to the threat from electronic media by joining it. Although newspapers continue to account for nearly three-fourths of its revenues, the company now owns four tv stations and, probably more important, has invested more than $100 million in cable tv operations.

The largest threat to newspapers looming on the horizon, Knight-Ridder and others believe, is the possible loss of retail and classified advertising to developing telecommunications technology. The newspaper industry is battling to keep giant American Telephone & Telegraph from offering an electronic version of its Yellow Pages.

Knight-Ridder has joined the fight. But it also has joined with AT&T in one of the most advanced video information ventures, Viewtron, a two-way videotex system personally directed from the Knight-Ridder side by Mr. Batten until his promotion to president.

Last year, Knight-Ridder decided to move Viewtron out of test and into a full-scale commercial development in Southeast Florida. By the middle of next year, when it is scheduled to become generally available, the company will have invested about $18.5 million in the project, 70% of which will have been expended as the project develops and the remainder of which is in hardware that could be sold or reused by Knight-Ridder if Viewtron is scrapped.

Its long-range thinking notwithstanding, Knight-Ridder hasn't hesitated to respond to its current problems. A 26% decline in first quarter profits this year, to $15 million from $20.1 million in the year-earlier period, did not sit well with company executives unaccustomed to dips in corporate profit. They ordered up hiring freezes and other cost-cutting measures almost as fast as the computers tallied the profit decline. About 35% of the decrease was attributable to Philadelphia, where the Knight-Ridder papers, the *Daily News* and the *Inquirer*, spent heavily to expand following the demise of the *Bulletin*.

Recession explains much of the rest of the decline, Mr. Batten says. The *Detroit Free-Press* has been the hardest hit of the company's papers, losing as much as $1 million monthly, according to industry speculation. Mr. Batten says the figure isn't that high, but acknowledges that it is "substantial."

Over-all, classified advertising, a sensitive barometer of the economy, fell 6.6% in revenues and 15% in linage at Knight-Ridder newspapers last year. "The economic waters have been choppy for a couple of years," Mr. Batten says. "We've had to tighten down hard on costs."

That tightening has not been universally popular in the rank and file. One section editor of a medium-size daily complains, "Knight-Ridder is like working for a strip mine. It's not that our productivity is cut 25% because our staff is 25% smaller. Our productivity is off more than that because people are demoralized."

The cuts are being made "sanely and humanely," Mr. Batten responds. "As the economy gets worse," he adds, "people will see a plus in being with a company that is economically strong."

John F. Sugg is an ADVERTISING AGE correspondent in Miami.

ing the filmed entertainment division's total revenues to $755.2 million, up 13% from 1980. However, operating income from filmed entertainment plunged 59% to $24.7 million from $60.8 million. A slowdown in box office attendance, increased expenses in motion picture making and a decline in tv syndication brought about the decline.

The company, however, is taking heart in its projection that revenues from the pay tv market by 1984 or 1985 could exceed total domestic theatrical rentals in its traditional aftermarket of tv syndication.

E.C. Publications and DC Comics ("Mad" magazine and "Mad" specials), part of the publishing division that as a whole generated $84.2 million in revenues in 1981, contributed an estimated 30% of total publishing revenues. Of the total operating income of $14.9 million, DC Comics' operating income increased substantially during 1981 as a result of licensing fees from the worldwide release of Warner's "Superman II."

MEDIA PROPERTIES

Cable/video

Franchises of Warner Amex Cable Communications. ARIZONA: Flagstaff, Parker, Sedona. ARKANSAS: Booneville, Clarksville, Fayetteville, Paris, Russellville. CALIFORNIA: Avenal, Bakersfield, Barstow, Big Bear Lake, Blythe, Lake Arrowhead, Malibu, Palm Springs, Taft, Victorville and Wrightwood. FLORIDA: Crestview, Fort Walton Beach, Lake City, Niceville, Winter Haven. GEORGIA: Cedartown, Elberton, Homerville. ILLINOIS: Altamont, Chicago (suburbs), Danville, DeKalb, Rochelle. INDIANA: Union City. IOWA: Albia, Denison, Guthrie Center, Sac City. KANSAS: Hiawatha, Russell. MAINE: Island Falls, Patten. MASSACHUSETTS: Athol, Chelsea, Dalton, Everett, Lynn, Malden, Medford, Melrose, Peabody, Pittsfield, Salem, Somerville, Winthrop. MINNESOTA: Babbitt, Ely, Fergus Falls, Little Falls. MISSISSIPPI: Batesville, Cleveland, Houston, Lambert, Louisville, Marks, Pontotoc, Water Valley, Yazoo City. MISSOURI: St. Louis (suburbs). NEBRASKA: West Point. NEW HAMPSHIRE: Berlin, Claremont, Lancaster, Nashua. NEW JERSEY: Avalon. NEW YORK: Olean. OHIO: Akron, Canton, Cincinnati, Columbus, Delphos, Fort Shawnee, Kenton, Norward, St. Mary's, Sidney, Wapakoneta. OREGON: Coos Bay, Hood River, Myrtle Point, Sandy, Wemme. PENNSYLVANIA: Altoona, Bradford, Chambersburg, Clearfield, Marietta, Morrison Cove, Newport, Pittsburgh, Pottsville, Reedsville, Warren. TENNESSEE: Erwin, Greeneville, Kingsport, Parsons, Waynesboro. TEXAS: Burnet, Crockett, Dallas, Dumas, Fairfield, Hico, Houston, Mexia, Navasota, Pecos, Rosebud, Stephenville. VERMONT: Bellows Falls, Brattleboro, Bristol. VIRGINIA: Hampton, Harrisonburg, Reston, Williamsburg. WEST VIRGINIA: Martinsburg. WISCONSIN: Marinette (80% interest), Marshfield Menasha (80% interest), Merrill, Neenah (80% interest), Oshkosh (80% interest). Also, joint venturer in Warner Amex Satellite Entertainment Co., which supplies and distributes two advertiser-supported services, Nickelodeon and MTV: Music Television, and one pay service, The Movie Channel.

Other properties

D.C. Comics, "Mad" magazine, "Mad Specials."

OTHER OPERATIONS

Consumer electronics and toys, recorded music and music publishing, direct-response marketing, filmed entertainment.

Washington Post Co.

Washington Post Co., Washington, is the country's 12th largest media company, with 1981 revenues estimated by ADVERTISING AGE of $753 million from media properties, more than 99% of total revenues of $753.4 million for the publicly held company. Media revenues were up 14% from 1980's $659 million.

Net income fell 4.7% to $32.7 million from $34.3 million.

Newspaper publishing and related operations, primarily the *Washington Post*, accounted for 49% of total revenues; magazine publishing and related operations, primarily *Newsweek*, 39%, and broadcasting, consisting of the four Post-Newsweek tv stations, 12%.

Included in total revenues are small revenue contributions by nonmedia units, including Newsweek Books and Newsweek Video. The company does not break out revenue figures for these subsidiaries.

The question for Post company executives is where to move next. It has built the *Post* newspaper into one of the most influential publications in the nation and a robustly successful advertising vehicle. *Newsweek*, though being pinched in ad sales by the recession, is a respected and solidly entrenched weekly. Its four tv stations, despite lagging profits at Detroit's WDIV-TV, are solid money makers.

But some of its biggest new ventures have gone sour. In a brutal pruning, the *Trenton* (N.J.) *Times*, a money loser since 1978, and *Inside Sports*, the well written but loss-plagued monthly launched by *Newsweek* in 1980, were sold last year. Other sales disposed of Top Market Television, its advertising sales agency, and its 24% interest in Publishers Phototype.

With the balance sheet cleared up, and major investments in new plant and equipment for the *Post* largely complete, company president Richard D. Simmons has the cash flow to plot some major new moves. Since joining the Post last September from Dun & Bradstreet, where he had been vice-chairman, Mr. Simmons has assembled a new business team. Allan Spoon, a vp and partner at the Boston Consulting Group, was brought in to coordinate new business planning. With an eye on electronic publishing and information products, Mr. Simmons recruited as Post company vp-information systems Ed Van Gombos, who is credited with being the architect of Dun & Bradstreet's successful effort to automate its information resources.

Two weeks ago, the new management team announced its first significant diversification move. Along with several other media companies, the company applied to the Federal Communications Commission for licenses to operate cellular radio telephone services, a new technology that permits wireless telephones to be widely available for the first time. The Post filed for licenses in five markets, estimating that it would spend $170 million to establish the new service in those markets.

At the *Post*, former *Trenton Times* editor Lawrence C. Kramer was named assistant to publisher Donald Graham and executive editor Ben Bradlee and assigned to explore electronic publishing.

Post company chairman Katharine Graham pledged this year that the company will be "actively involved" with any electronic publishing ventures in the Washington market, but she is less certain about taking the company into cable tv or expanded tv station ownership. Mrs. Graham told stockholders this spring that the Post company is ready to move only "at the right price and in the right geographic area."

Tv station prices are "high" and "may be high for some time," according to Mrs. Graham, who suggested she is willing to wait and see if cable penetration brings costs down.

In print media, a bid to acquire the Des Moines Register & Tribune Co., though unsuccessful, showed that Post company executives are not wary of big-ticket investments despite their costly disappointments in Trenton and with *Inside Sports*. But the Des Moines move appears to confirm that the focus of Post company attention has shifted from small- or medium-size papers to well established, larger publications. The company's last newspaper acquisition, in 1978, was the *Everett* (Wash.) *Herald*, with circulation of 60,000 daily and Sunday.

"These opportunities are rare," chairman Graham said of the prospects for a major newspaper buy. "But we are prepared to seize an opportunity when it is presented."

At *Newsweek*, division president Mark Edmiston, appointed last year, was joined in January by exec vp-general manager, Steve Price, formerly a corporate vp at General Foods. This month William D. Broyles Jr. was hired to replace Lester Bernstein as editor-in-chief, assuming the post when Bernstein resigns Sept. 7. Mr. Broyles is the editor of *Texas Monthly* and *California*.

Without serious competition in the Washington newspaper market since Time Inc. closed the *Washington Star* last August, management at the *Washington Post* nevertheless added new opinion features, 30 additional reporters and $3.5 million to the budget. At the close of last year, more than 400 reporters, editors, correspondents and photographers were employed by the paper.

The *Star* closing sent Post daily circulation soaring 23% to 760,950 daily and 17% Sunday to 986,024. The company purchased the former *Star* printing plant to handle the extra load, triggering an unexpected side effect: Federal Trade Commission questions about the effect of the acquisition on potential newspaper competition in the Washington market. Since the sale of the *Star* plant, a new a.m. daily, the *Washington Times*, published by an affiliate of the Rev. Sun Myung Moon's Unification Church, has begun publishing at its own plant.

Months of inaction by the *Post* have dampened speculation that it might move into the *Star's* p.m. time slot with an afternoon edition of its own. But *Post* editors are testing a prototype *Washington Post Weekly*, a tabloid concentrating on the best of the paper's Washington political and governmental reporting and meant for nationwide subscription sales.

At *Newsweek*, refinements included a new demographic edition, *Newsweek Executive Plus*, which started in January and is aimed at top business executives. In the fall, a new college edition will be added. *Newsweek* this spring also boasted that it had sold the largest single ad in its 49-year history: A 34-page insert that will be Waldenbooks' four-color catalog for the Christmas selling season.

Post-Newsweek Stations, which brought in 12% of the company's total operating revenue last year but 32% of its operating income, remained the company's most profitable operation.

The outlook for the company's major media properties in 1982 was mixed: Early results for the *Washington Post* and the tv stations were promising, but *Newsweek* was suffering.

Ad volume in *Newsweek's* key domestic edition was off 12 pages in the first quarter of 1982, and executives predicted a down second quarter as well. The 1981 ad page total for the domestic edition, 3,106, was up only eight pages over 1980's depressed level. Ad volume in Newsweek's international edition fell last year to 2,529 pages from 2,555.

The *Washington Post* turned in a strong fourth quarter last year, and first-quarter ad linage in 1982 was reported up 2%. Revenues climbed 21% as strong travel and real estate advertising offset declines in classified volume. The company predicted an "excellent" second quarter.

Likewise, the Post-Newsweek tv stations—in Miami and Jacksonville, Fla., Hartford and Detroit—turned in a 13% revenue increase in the first quarter with predictions for a good second quarter.

For 1981, the company reported *Washington Post* ad revenues (after commissions) of $263.5 million, up 22%. Ad linage climbed 4% for the year to 100.8 million lines. At *Newsweek*, estimated gross ad revenues were up 13% (before commissions and other discounts) to $237 million.

MEDIA PROPERTIES

Newspapers

DISTRICT OF COLUMBIA: *Washington Post*. WASHINGTON: *Everett Herald*.

Magazines

Newsweek, Newsweek International.

Broadcasting

TELEVISION: WFSB-TV, Hartford, Conn.; WXJT-TV, Jacksonville and WPLG-TV, Miami, Fla.; WDIV-TV, Detroit.

OTHER OPERATIONS

Newsweek Books, International Herald Tribune (30% owned), Los Angeles Times-Washington Post News Service (50% owned), Washington Post Writers Group (features syndication), Bear Island Paper Co. (30% owned), Bowater Mersey Paper Co. (49% owned), Robinson Terminal Warehouse (newsprint warehousing, 92% owned).

Westinghouse Electric Corp.

Westinghouse Electric Corp., Pittsburgh, is the country's 24th largest media company, with revenues of $319 million from its Westinghouse Broadcasting and Cable Inc. operations in 1981. Total operating profits from media operations were $78 million. Media represented 3% of total Westinghouse sales of $9.37 billion.

In 1980, Westinghouse had media revenues of $266.5 million, or 3.1% of total revenues of $8.51 billion.

Last year was one of significant growth for the company's media business. In July, it completed the acquisition of Teleprompter Corp., the second biggest U.S. cable tv company, for $646 million. That, and the formation of Group W Satellite Communications, led to name changes for the company. Westinghouse Broadcasting Company became Westinghouse Broadcasting and Cable Inc. and Teleprompter became Group W Cable.

Westinghouse is expected to sink at least $300 million into its Group W Cable operation this year, much of it for upgrading Teleprompter systems.

This month, Group W Satellite Communications and ABC Video Enterprises launched the Satellite NewsChannels, a 24-hour all-news cable tv service. The channel, which will battle Ted Turner's Cable News Network for subscribers, is designed to provide news updates every 18 minutes. The service says it also will provide in-depth looks at the news.

Group W Satellite has taken over advertising sales and affiliate representation of Black Entertainment Television (BET). The agreement marked the division's fourth arrangement with a programing unit, placing Group W Cable behind only Warner Amex Satellite Entertainment Co., which owns or represents a total of five cable networks. Under the terms of the agreement, Group W, in conjunction with BET's own sales effort, will represent BET in the placement of programing on cable systems around the country. It will also be responsible for representing BET in the sale of advertising.

Group W Satellite will also be the marketing arm for the Nashville Network. The network's programing will be produced by Opryland Productions from the Grand Ole Opry House in Nashville.

Group W Cable named a new president, Chris Derrick, who moved into the position when William Bresnan was elevated to chairman.

Mr. Derrick, who came from Pennsylvania-based Comcast, said he was "the luckiest" man in cable because he was at the helm of a progressive company that will be spending heavily to expand.

Daniel L. Ritchie, chairman and chief executive officer of Westinghouse Broadcasting and Cable, said the company will strive to provide its audience with a wide variety of programing.

"Other developmental efforts now underway will keep Group W on the leading edge of technology, programing and marketing," he said.

In its traditional broadcasting business, Westinghouse last year purchased KOSI, a Denver fm station, and sold WBZ-FM, Boston.

MEDIA PROPERTIES

Broadcasting

TELEVISION: KPIX, San Francisco; WJZ-TV, Baltimore; WBZ-TV, Boston; WPCQ-TV, Charlotte, N.C.; KYW-TV, Philadelphia; KDKA-TV, Pittsburg. RADIO: KJQY (fm), San Diego; KFWB (am), Los Angeles; KOSI (fm) Denver; WIND (am), Chicago; WOWO (am), Fort Wayne, Ind.; WBZ (am), Boston; WINS (am), New York; KYW (am), Philadelphia; KDKA (am) and WPNT (am, fm), Pittsburgh; KOAX (fm), Dallas; KODA (fm), Houston.

Cable/video

All designated Group W Cable unless otherwise indicated. ALABAMA: Dothan, Florence, Gadsden, Huntsville, Mobile and Tuscaloosa. ARIZONA: Prescott. CALIFORNIA: Brush Park, Buena Park, Camarillo, Fontana, Fort Bragg, Fullerton, Gardena, Kings Beach, Lompoc, Loma Linda, Los Angeles, Los Gatos, Milpitas, Newark, Newport Beach, Oakland (80% interest), Piedmont (80% interest), Reedley, San Bernardino, Santa Clara, Santa Cruz, Santa Maria, Seal Beach, Sierra Madre, Simi, Simi Valley, Tahoe, Torrance, Ukiah, Willits, Yucca Valley. COLORADO: Trinidad. CONNECTICUT: Danbury, Middletown. FLORIDA: Boca Raton, De Land, Haines City, Hillsborough County, Holly Hill, Lakeland, Manatee County, Marianna, New Port Richey, New Smyrna Beach, Palm Beach County, Panama City, Plantation, Quincy, St. Petersburg, Tallahassee, West Palm Beach, Winter Garden. GEORGIA: Dublin, Milledgeville, Swainsboro, Thomasville, Valdosta. HAWAII: Honolulu (50% interest). IDAHO: Lewiston, Pocatello. ILLINOIS: Galena, Rock Island. IOWA: Dubuque. KANSAS: Liberal. LOUISIANA: Baker/Zachary, Leesville, St. Bernard Parish. MAINE: Caribou. MASSACHUSETTS: Worcester (80% interest). MICHIGAN: Calumet, Dearborn, Escanaba, Iron Mountain, Ironwood, Sault Ste. Marie, Grosse Point, Wayne. MINNESOTA: Brainerd, Columbia Heights/Hilltop, Duluth, Rochester, Winona City. MISSOURI: Columbia, Cut Bank, St. Charles, St. Louis Co., St. Louis Telecom. MONTANA: Great Falls, Kalispell, Missoula. NEVADA: Reno. NEW HAMPSHIRE: Keene. NEW JERSEY: Birdston, Bridgeton, Ocean City, Ramapo, Ventnor, Vineland, Wildewood. NEW MEXICO: Farmington, Lovington, Portales, Silver City, Tucumcari. NEW YORK: Brockport, Elmira, Ilion, Islip, Jamestown, Mount Vernon, Newburgh, Manhattan, Oswego, Ramapo, Warwick. OHIO: Portsmouth, Ridgeville. OREGON: Coquille, Eugene, Portland. PENNSYLVANIA: Johnstown. SOUTH CAROLINA: Greenwood. TEXAS: Baytown, Commerce, El Paso (74% interest), Galveston, Graham, Grapevine, Irving, Palestine. VIRGINIA: Richlands. WASHINGTON: Richland, Seattle, Tacoma, Walla Walla, Wenatchee. WEST VIRGINIA: Clarksburg, Fairmont, Morgantown. WISCONSIN: La-Crosse. WYOMING: Rawlins.

MY FRIEND BAILEY

To my friend Bailey Anderson, life was a supremely welcomed and beautiful mystery.

One way Bailey tried to find answers to that beautiful mystery was to argue. I even heard him tell a man once that he'd come to talk, not to listen.

He and I used to argue a lot. Mostly about anything that came to mind.

Neither one of us ever won one of those arguments but we kept on, time after time. Both loved it.

One subject that came up occasionally was the nature and existence of miracles.

I was reading a book by the poet e. e. cummings today and realized that my friend Bailey was a miracle . . .

To quote Mr. cummings:

"With you i leave a remembrance of miracles: they are by somebody who can love and who shall be continually reborn, a human being; somebody who said to those near him, when his fingers would not hold a brush — tie it to my hand —."

My friend Bailey is now a citizen of immortality.

I will miss him very deeply.

Tom Worrell

Mr. Worrell is chairman of Worrell Newspapers. Bailey Anderson was a Worrell vp and had been publisher of a number of Worrell newspapers, which ran this tribute upon his death from cancer last November.

Wometco Enterprises

Wometco Enterprises, Miami, is the country's 64th largest media company, with revenues of $122.7 million from media operations in 1981, or 28% of total revenues of $434.2 million. Media revenues increased 29% from 1980 media revenues of $95.4 million.

Broadcasting accounted for $65 million in revenues, or 15% of total revenues, while cable and subscription tv combined for revenues of $57.7 million, or 13% of the total.

Net income rose 17% last year to $24.4 million and, like total revenues, was the highest in Wometco's 57-year history. Aside from media operations, the publicly held company's other divisions include soft drink bottling, vending and entertainment.

Wometco plans to continue serving the leisure-time market, an approach that has enabled the company to do well despite the general economic slump. While people may cut back on expenditures of higher-priced leisure items, the company contends that its newest ventures, cable and subscription tv, fall into the category of economical leisure-time spending.

Wometco owns 85% of Wometco Cable TV, its formerly wholly owned subsidiary that began trading independently after a public offering of a portion of its stock in May, 1981. At year-end, Wometco Cable TV operated or had under construction 42 cable systems in 135 franchised communities and served 195,000 basic subscribers, an increase of 53,000, or 37%, from 1980.

Premium/pay subscriptions totaled 162,000, an increase of 62,000, or 62%, while homes passed jumped 83,000 to approximately 357,000, a 30% increase. (These figures don't include the 6,000-subscriber Freeport cable system, which is 75% owned by Wometco.)

Wometco Home Theatre (WHT) is a subscription television service that has been providing over-the-air pay tv since 1977. At the end of 1981, WHT operations had a combined total of about 106,000 subscribers.

Although WHT did not show a profit for the year, losses were below those of 1980, the company said. To combat the losses, Wometco hired new management which has since cleared up some operating problems, lowered costs and improved the subscriber connection rate.

In the broadcasting division, Wometco owns and operates six tv stations, including four vhf outlets. The company said it expects revenues and profits for the division to improve over their record 1981 levels.

Wometco is especially optimistic about its tv business. "If present trends continue, as we expect they will, the use of the tv set—already an almost indispensable part of life in the American home—will witness a dramatic expansion," said Mitchell Wolfson, president and chairman of the board.

Mr. Wolfson, 81-year-old founder of the company, suffered a mild heart attack in February but was back on the job in May, the company said.

MEDIA PROPERTIES

Broadcasting

TELEVISION: WTVJ-TV, Miami/West Palm Beach, Fla.; WZZM-TV, Grand Rapids/Kalamazoo/Muskegon, Mich.; WLOS-TV, Greenville/Spartanburg/Asheville, N.C.; WWHT-TV, Newark, N.J.; WSNL-TV, Smithtown, N.Y.; KVOS-TV, Bellingham, Wash.

RADIO: WLOS (fm), Greenville/Spartanburg/Asheville, N.C.

Cable/video

ALABAMA: Clayhatchee, Daleville, Dothan, Fort Rucker, Grimes, Level Plains, Midland City, Napier Fields, Newton, Pinckard and unincorporated portions of Dale and Houston Counties. GEORGIA: Alert Cable TV, including Fort Benning; Clayton County System, including Forest Park, Jonesboro, Lake City, Morrow, Riverdale and unincorporated portions of Clayton County; Cobb County System, including Austell, Marietta and unincorporated portions of Cobb County; Douglas County System; Fayette County System, including Tyrone; Fulton County System, including Hapeville; Gwinnett County System, including Berkeley, Grayson, Lilburn, Norcross, Snellville and unincorporated portions of Gwinnett Co; Rockdale County System, including unincorporated portions of Rockdale and Newton Counties; Satellite Cable TV System, including Acworth, Kennesaw and unincorporated portions of Cobb County LOUISIANA: Eunice System, including Ward 7 of Acadia Parish and Ward 6 of St. Landry Parish; Church Point Cable TV, including Ward 3 of Acadia Parish; Jeff Davis Cable TV, including Jennings; Lafourche Communications: Chackbay System, including Ward 6 of Lafourche Parish; Labadieville System, including Assumption Parish, Napoleonville and North Assumption Parish; River Parish System, including St. James Parish; Point Coupee System, including Morganza, New Roads and unincorporated areas of Pointe Coupee Parish; Thibodaux System, including Wards 1, 2, 3, 4, 5, 7 and 9 of Lafourche Parish and unincorporated portions of Terrebonne Parish; St. Landry Cable TV, including Opelousas, Washington and unincorporated areas St. Landry Parish; St. Tammany Cablevision, including Slidell and unincorporated portions of St. Tammany Parish. MISSISSIPPI: Picayune Cablevision, including Picayune and unincorporated areas of Pearl River County. OKLAHOMA: Alert Cable TV, including Pryor Creek. NEW YORK: Ausable Communications, including Chesterfield, Dannemora, Keeseville, Peru, Plattsburgh, Plattsburgh Air Force Base and Schuyler Falls. NORTH CAROLINA: Alert Cable TV of Goldsboro, including Fremont, Goldsboro, Mount Olive, Pikeville, Seymour Johnson Air Force Base and unincorporated portions of Wayne County; Alert Cable TV of Wilson, including Elm City and unincorporated portions of Wilson County; Carrboro System, including Carrboro, Hillsborough and unincorporated portions of Orange County; Cary System, including Apex, Cary, Fuquay-Varina, Holly Springs, Morrisville and unincorporated portions of Wake County; Cherry Point Marine Air Station; Farmville System, including Farmville and unincorporated portions of Gwinnett County; Garner System, including Clayton, Garner and unincorporated portions of Johnston and Wake Counties; Guilford County; Reidsville System, including unincorporated portions of Rockingham County; Wake Forest System, including Rolesville; Wendell System. SOUTH CAROLINA: Alert Cable TV: Andrews System, including Andrews and unincorporated portions of Georgetown and Williamsburg Counties; Dorchester Cablevision, including Summerville and unicorporated portions of Berkeley and Dorchester Counties; Bishopville System, including unincorporated areas of Lee County; Georgetown Systems, including unincorporated portions of Georgetown County; Lake City Systems, including Scranton and unincorporated portions of Florence County; Williamsburg Cable TV, including Hemingway, Johnsonville and unincorporated portions of Florence and Williamsburg Counties.

OTHER OPERATIONS

Citrus Tower; Coca-Cola Bottling County franchise vending operation in southern U.S.; Conch Tour Train sightseeing tours; Miami Seaquarium; Wometco Home Theatre; motion picture theaters in Arkansas, Florida, the Bahamas, Dominican Republic, Puerto Rico, Virgin Islands.

Worrell Newspapers

Worrell Newspapers, Charlottesville, Va., is the country's 81st largest media company, with revenues of $84 million estimated by ADVERTISING AGE from media operations in 1981. All of the private company's holdings are in media.

After years of hectic acquisition activity and efforts to diversify, Worrell took something of a year off.

The only acquisitions were three newspapers in Broward County, Fla.—the *Broward Tribune*, the *Jewish Journal* and the *Hi Riser*.

Worrell took over management of all three newspapers in 1980 and then hinted that the next step would be acquisition, which it concluded in 1981.

These three have a combined circulation of 80,000.

Worrell newspapers posted a 3% gain in circulation during 1981. Advertising revenue, however, dropped 2% primarily because of a decrease in advertising by real estate interests and automotive-related companies.

Most of the papers had no format changes, although the company's flagship newspaper, the *Charlottesville Daily Progress*, altered its format from eight columns to six. The *Lynchburg* (Va.) *News* also made the format alteration.

The Charlottesville newspaper and corporate headquarters plans to move into a new plant in the spring of 1983, and the present building is to be given to the local United Way. The three broadcast interests have maintained stable advertising revenues. The company's Virgin Islands outlet, WBNB-TV installed a $100,000 transmitting dish that allows the station to be heard in Puerto Rico and throughout the Caribbean.

In one major management change, J.D. Schwartz became president of the family-owned operation, while former president Thomas E. Worrell Jr., 37, took over as chairman.

MEDIA PROPERTIES

Newspapers (dailies)

ALABAMA: *Florence Times, Tri-Cities Daily* (Florence). COLORADO: *Sterling Journal-Advocate.* FLORIDA: *Broward Tribune, Jewish Journal* (both in Fort Lauderdale). ILLINOIS: *Olney Daily Mail.* INDIANA: *Greensburg Daily News, Rushville Republican.* KENTUCKY: *Harlan Daily Enterprise, Madisonville Messenger, Middlesboro Daily News.* LOUISIANA: *Opelousas Daily World.* MISSISSIPPI: *Corinth Daily Corinthian.* NEW MEXICO: *Las Cruces Sun-News.* NORTH CAROLINA: *Lenoir News Topic.* TENNESSEE: *Dyersburg State Gazette.* TEXAS: *San Marcos Daily Record.* VIRGINIA: *Charlottesville Daily Progress, Christianburg News Messenger, Culpepper Star Exponent, Dumfries Potomac News, Lynchburg News, Suffolk News-Herald.*

Newspapers (nondailies)

FLORIDA: *Hi Riser.* INDIANA: *Batesville Herald Tribune.* MAINE: *York County Coast Star* (Kennebunk). MISSISSIPPI: *Booneville Banner Independent.* NEBRASKA: *Sidney Telegraph.* NEW JERSEY: *Wildwood Gazette-Leader.* TENNESSEE: *Claiborne Progress* (New Tazewell). VIRGINIA: Blacksburg Sun, Richlands News-Press, Rural Virginian (Scottsville), *Clinch Valley News, Smyth County News* (Marion). WEST VIRGINIA: *Princeton Times.*

Broadcasting

TELEVISION: WIFR-TV, Freeport, Ill.; WHS-TV, Harrisonburg, Va.; WBNB-TV, Charlotte Amalie, St. Thomas, Virgin Islands.

Ziff Corp.

Ziff Corp., New York, is the country's 28th largest media company, with media property revenues estimated by ADVERTISING AGE at $300 million in 1981. Consumer and trade publications accounted for about 89% of that total, and six tv stations the remainder. Media revenues in 1980 were conservatively estimated at $200 million. Total revenues for Ziff were not available.

Ziff began in the 1920s as a partnership of William B. Ziff Sr. and William Davis, two young publishing and humor enthusiasts. The company has been a special-interests publisher from the outset; indeed, one of its first magazines, *Popular Aviation*, now *Flying*, was launched largely because of Mr. Ziff's belief—pioneering at the time—in aviation.

The company's strategy has largely been to construct, primarily through acquisitions and spinoffs, a network of consumer and special-interest magazines geared to a wide range of markets—from photography to yachting to electronics.

Ziff-Davis Publishing is divided into two basic units: Consumer publications division, with such hobbyist and outdoor magazines as *Boating, Flying, Modern Bride, Popular Photography* and *Stereo Review*; and the business and trade publication unit, with such entries as *Aviation Daily, Meetings & Conventions* and *Travel Weekly.*

Over the past few months, the company has divested several publications that for one reason or another didn't "fit," said Richard Friese, president of the publishing division. Included were the in-flight magazines *Pan Am Clipper* and *U.S. Air*, which were bought by New York-based East/West Network.

In addition, *Fly Fisherman* was sold to Historical Times, a Harrisburg, Pa., publisher, mainly because it was "just too small a publication for us," Mr. Friese said.

Among its more visible trade properties is the Ziff-Davis Magazine Network, which targets the young, affluent—or getting there—male with these titles: *Boating, Car & Driver, Flying, Photography, Skiing* and *Stereo Review.*

There are, however, some other interesting standouts in the Ziff stable. One is *Psychology Today*, which the company has been promoting as the special-interest magazine of the future. Some magazine analysts say *Psychology Today* has been floundering for lack of a niche and that its editorial focus seems peculiar in relation to the other Ziff-Davis properties. Its ad pages dropped 22% last year to 563, while ad revenues fell 14% to $12.1 million.

Reports that the magazine will be sold keep popping up, but *Psychology Today* is said to be something of a pet interest of William Ziff Jr., who bought out William Davis in 1953 and has headed the company since. Reportedly shy and very guarded about his personal and business life, the younger Ziff did not inherit his father's extroversion and love of the limelight. He did inherit, however, his father's fascination with an idea that can be catered to in a magazine, which may be why Ziff continues to put money and energy into *Psychology Today*, sources suggest.

Another Ziff entry is *Unique Homes*, which the company acquired in August, 1980, when its name was *Uniques* and its headquarters were in San Diego. Since then, Ziff-Davis has moved headquarters to New York, and increased cover price and frequency.

According to Mr. Friese, the company is always on the lookout for "books for enthusiasts in various categories. This is really where our expertise lies."

Ziff's magazine division has bucked the soft economy and is posting consistent revenue and linage gains this year, Mr. Friese said.

Although clearly committed to special-interest and business magazines, Ziff has also shown an inclination toward database publishing, and has studied the application of current business publications to a database.

The company also has launched a new quarterly, *Data Sources*, which provides data on software and equipment geared to the information-processing industry.

The company also has moved into economic theory and consulting businesses. In 1980 it acquired Wharton Econometric Forecasting Assn., a think tank previously associated with the University of Pennsylvania's Wharton Graduate School of Business. Earlier this year, the company acquired Barr Rosenberg & Associates, San Francisco, an investment consulting company.

Elsewhere, Ziff has agreed to sell two of its six television stations: WRCB in Chattanooga, Tenn., and WJKS in Jacksonville, Fla.

MEDIA PROPERTIES

Magazines

CONSUMER PUBLICATIONS: *Adventure Travel, Backpacker, Boating, Boat Owner's Buyer's Guide, Camera Arts, Car & Driver, Car & Driver Buyer's Guide, Cycle, Cycle Buyer's Guide, Flying, Flying Annual & Pilot's Buying Guide, Modern Bride, Popular Electronics, Communications Handbook, Electronic Experimenters Handbook, Popular Photography, Photography Annual, Photography Directory & Buying Guide, Psychology Today, Skiing, Stereo Review, Stereo Directory & Buying Guide, Unique Homes, Yachting.*

BUSINESS & TRADE PUBLICATIONS: *A/C Flyer, Aerospace Daily, Aviation Daily, Business & Commercial Aviation, Hotel & Travel Index, Meetings & Conventions, Official Hotel & Resort Guide, Official Meetings Facilities Guide, Photomethods, Skiing Trade News, Travel Weekly, Weekly of Business Aviation, World Aviation Directory, World Travel Directory.*

Broadcasting

TELEVISION: (all under Ziff-Davis Broadcasting Co.) WJKS-TV, Jacksonville, Fla. (sale pending); WRDW-TV, Augusta, Ga; WEYI-TV, Saginaw, Mich.; WROC-TV, Rochester, N.Y.; WTOV-TV, Steubenville, O.; WRCB-TV, Chattanooga, Tenn. (sale pending).

OTHER OPERATIONS

Barr Rosenberg & Associates, Computer Intelligence Corp., Data Decisions, Data Sources, Information Access Corp., Management Contents; Strategic Information, University Communications, Wharton Econometric Forecasting Assn., various real estate holdings.

The debate heats up

Cable vs. Networks

"... Life, Look, The Saturday Evening Post all went within a five-year period.... They're all gone within their original massive forms. I think the same thing will happen with mass television networks."

—Paul Klein,
former NBC executive

"We seem to be in an era of 'Cable, how quickly can you build in my area? I'm tired of waiting.' "

—Charles Dolan,
chairman of
Cablevision Systems

"Cable is revolutionary. History will see this as some sort of watershed."

—Gustave Hauser,
chairman-ceo,
Warner Amex
Cable Communications

"It become increasingly clear to me that the potential impact of cable has been substantially overstated.... As the first hard ratings numbers emerge we see some serious reviews ahead for the industry."

—Thomas H. Wyman,
president,
CBS Inc.

"Cable is at best an interim technology.... Before this decade is over, those companies that have made heavy, long-term financial commitments to cable will be out of business or struggling for survival."

—Gershom Clark Morningstar,
president,
Wolverine-Morningstar
Broadcasting

"We know that cable is not going to be a mass medium, ever...."

—Nancy Clott,
vp-media director,
Ted Bates & Co.

Major media companies who do NOT own cable systems (hardware)

1. Gannett Co.
2. Washington Post Co.
3. Park Broadcasting
4. McGraw-Hill
5. Hearst Corp.
6. Triangle Publications
7. Meredith Corp.
8. Metromedia Inc.
9. RKO General
10. Oklahoma Publishing Co.

They have rushed in...

1. Tele-Communications Inc.
2. American Television & Communications Corp.
3. Group W Cable
4. Cox Cable Communications
5. Storer Cable Communications
6. Warner Amex Cable Communications
7. Times Mirror
8. Newhouse Broadcasting
9. Viacom Cablevision
10. Rogers UA Cablesystems

Source: *TV Digest-Cable Business,* March 22, 1982

Latin America: Markets in turmoil—Magazine special report

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IN WAKE OF IBM SCANDAL

Mitsubishi, Hitachi mull ad pullback

By ROBERT RAISSMAN

Mitsubishi Electric Corp. and Hitachi Ltd. are expected to suspend all print and tv advertising in Japan indefinitely in the wake of the U.S. scandal involving employes of each company, who are accused of purchasing computer secrets stolen from IBM.

A U.S.-based Mitsubishi executive, who declined to be identified, said the decision to pull the advertising will be made strictly to save face. "It is just a theory among the Japanese. There is no admission of guilt by pulling advertising. But when your name is linked to something like this, you are not going to flaunt it in front of everybody," he said. The move comes during one of the heavier buying seasons in Japan.

The exec said the decision to suspend advertising would not extend to the U.S. However, sales representatives at various electronics magazines said that if the adverse publicity continued, they expected both companies to pull computer and computer-related advertising.

Kazuya Hanazuka, a spokesman for Hitachi in New York, declined comment on the company's advertising situation. But in Compton, Cal., Hitachi Sales Corp. of America exec vp Robert J. O'Neil said that although his unit had no involvement in the computer scandal, executives at the consumer electronics unit were still pondering whether or not to pull U.S. ads.

"We are part of Hitachi Ltd. and this thing could affect us," he said. "We are making no moves in terms of our advertising plans or budget at this point. We're trying to determine the most appropriate reaction." Hitachi Sales' agency is Keye/Donna/Pearlstein, Beverly Hills.

Mr. O'Neil said consumers have not reacted to the scandal. "In terms of active response, there has almost been nothing," he said, "but that doesn't mean there won't be."

An executive at Mitsubishi International, the conglomerate's trading arm, likened the situation to when an airline temporarily pulls advertising following a plane crash.

Neither Hitachi or Mitsubishi spends heavily in this country. According to Leading National Advertisers, Hitachi spent approximately $2 million and Mitsubishi $3 million in measured media in 1981. The majority of the companies' ad dollars are spent on consumer electronic products, not computers, according to LNA.

In Japan, the two companies' ad

(Continued on Page 30)

Full-flavored. Brewed light for today.

'Jake, it's my brother'

Jake waxes enthusiastic on the virtues of Pabst's new Jacob Best until the lovely lady notes the arrival of her brother and helps him out the window. Voiceover: "When you're travelin' light, go with the best." McCann-Erickson handles. (*See story, Page 29.*)

PepsiCo kneads bakery plans

By JENNIFER PENDLETON

The people that bring you Pizza Hut and Taco Bell may seek to use their fast-food expertise to expand the popularity of sourdough bread.

PepsiCo's foodservice division, which in March purchased the then three-location San Francisco Boulangerie retail bakery chain, has plans to open from eight to 12 new locations in high-traffic shopping malls throughout northern California by the end of the year, sources say. Purchase, N.Y.-based PepsiCo declined to discuss its plans, but this expansion is said to be the first in long-range plans to make the bakeries a national chain.

San Francisco Boulangeries (*boulangerie* means bakery in French) specialize in original San Francisco sourdough and other variety breads that are prepared in a central bakery, then delivered to individual bakeries and baked fresh daily. At present, the business is entirely take-out; the Boulangeries do not have seating, and sources say there are no plans at this time to convert them to cafes.

PepsiCo recently named Lynch & Rockey, San Francisco, as the chain's first ad agency. Initially, the Boulangeries are using some local newspaper and direct-mail advertising emphasizing the bread's quality and variety, but plans call for expansion into radio and tv later in the year.

No doubt, PepsiCo's decision to enter the retail bakery business follows careful study of the U.S. bread market. White bread sales have been declining steadily as variety bread sales are rising 15% annually (AA, May 25, '81). The popularity of sourdough bread is said to be growing at a similarly swift pace.#

Taking broker exec, Amway distributors to court

P&G sues over satanism

By JENNIFER ALTER

Making good on its pledge to halt the spread of rumors linking it with satanism, Procter & Gamble is enlisting the aid of the law.

The company last week filed suits in Atlanta and Pensacola federal district courts against Mike Campbell, employed at an Atlanta-based grocery brokerage company, and William and Linda Moore, Pensacola-based distributors for Amway Corp., the direct marketer of household and personal care products.

The suits charge the individuals with "libeling the character" of P&G by circulating "false and malicious" statements about the company and calling for a boycott of its products. They ask the court to stop the defendents from further activity and for unspecified compensatory and punitive damages.

P&G has contracted with local attorneys to litigate its case. Former U.S. Attorney General Griffin Bell is handling the Atlanta suit, and Patrick G. Emmanuel, a senior partner in Emmanuel, Sheppard & Condon, filed the Pensacola action.

A P&G spokesman said the individuals were located by reports from consumers and others. He noted there is no evidence that Amway is involved with the spread of the rumors. Amway has more than 750,000 distributorships in the U.S., a spokesman said, and it is not inconceivable that one might be helping spread rumors.

■ The rumors, spreading primarily through churches in "Bible Belt" states, often are propogated on 8½-by-11-in. handouts, distributed in locations such as supermarkets and banks. While it varies slightly, the message on a handout headed "Dear Pastor," notes that recently "the owner of P&G" appeared on (either "The Phil Donahue Show," "The Merv Griffin Show" or "60

(Continued on Page 34)

NEWSPAPER

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last minute news

Nabisco expected to sell Fleischmann Distilling

NEW YORK—Nabisco Brands reportedly is about to sell its Fleischmann Distilling subsidiary, Lake Success, N.Y., whose brands include Fleischmann's vodka and gin, Canadian LTD, Caffe Lolita liqueur, Inver House scotch, Dunphy's cream liqueur and Irish whisky, American and Silhouette vodkas. Nabisco could not be reached for comment at press time.

Carnation to test 4-flavor yogurt salad dressing

LOS ANGELES—Carnation will test a refrigerated, bottled yogurt salad dressing line in Denver, and maybe other markets, with tv, newspaper and coupon ad support via SSC&B, New York. Tv starts July 12. Line has creamy Italian, chunky bleu, thousand island and creamy cucumber.

Kraft tries cream cheese with fruits, vegetables

GLENVIEW, ILL.—Kraft is testing five flavors of soft Philadelphia Brand cream cheese, with real fruit or vegetable bits, in Dallas and possibly other markets. It is available in strawberry, pineapple, olives and pimento, chives and onion and toasted onion. Newspaper ads via JWT stress spreadability and the real bits of fruits and vegetables.

Compton might get Avis throughout Europe

LONDON—Avis is believed to be appointing Compton agencies all over Europe to handle its rental car business there. Last week, Avis appointed KMP Partnership, London subsidiary of Compton, to handle U.K. adver-

(Continued on Page 8)

FDA block of diet aid faces suit

WASHINGTON—The Food & Drug Administration last week issued an ultimatum to 125 marketers and distributors of "starch blocker" diet aids: Halt distribution within 10 days or produce proof the products are safe and effective. The warning followed a government investigation (AA, June 21).

At least one marketer, Bio-Tech Laboratories, Batesville, Ark., said it plans to challenge FDA in court, contesting the agency's determination that starch blockers are "drugs." Federal law requires proof of safety and efficacy before drug products can be marketed.

BioTech president J. Robert Lemon said he expected to file in U.S. district court in Chicago.

Starch-blocker products claim to help weight control by impeding starch digestion, but FDA said manufacturers have not provided proof to support the claim.#

Nimslo mounts broader 3-D roll

By GAY JERVEY

Contrary to a previously announced gradual rollout, Atlanta-based Nimslo Corp. has decided to leapfrog from Florida to the entire East Coast with its new 3-D camera.

When introducing the camera in Florida this past March, Nimslo had talked of a gradual market-by-market expansion along the Eastern Seaboard. Now, it seems, as Florida goes, so goes the East Coast —in September, and all at once.

Ad plans have not changed substantially, however, although the company will produce some new radio and newspaper spots to support its tv campaign created by Ogilvy & Mather.

These developments surfaced last week immediately after the news that Nimslo had acquired 12.1%—an investment of 601,170 shares—in Berkey Photo, thus becoming the principal shareholder of the White Plains, N.Y.-based film processing company.

The shares were acquired for about $2.2 million in a privately negotiated transaction principally involving Benjamin Berkey, the company's founder and current chairman; other stockholders and trusts; a major shareholding company, and other transactions.

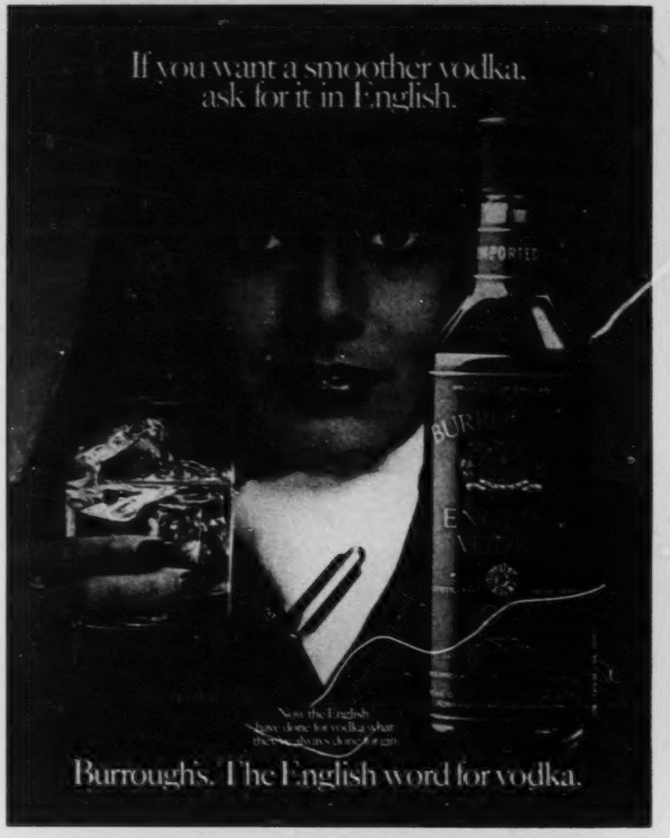
Sources suggest that the move took Berkey insiders somewhat by surprise, despite the fact that Mr. Berkey reportedly has been looking to sell for some time. "It's true, we really didn't know anything until the day it was announced, but I don't see what difference that makes," a company spokesperson said.

Although indicating that no plans are in the offing to seek control of Berkey, Nimslo is leaving the door open for additional stock purchases. "The acquisition clearly

(Continued on Page 34)

'I say'

Moving national from test is Burrough's English vodka, imported by Kobrand Corp., New York. Magazine ads are via Jordan, Case & McGrath.


If you want a smoother vodka, ask for it in English.
BURR
IMPORTED
Now the English have done for vodka what they've always done for gin.
Burroughs. The English word for vodka.

B&W sues FTC, asks new cigaret listing

By RICHARD L. GORDON

WASHINGTON—Brown & Williamson Tobacco, battling in court to save the 1mg-tar rating of its Barclay cigarets, disclosed last week it has proposed a revamp of the Federal Trade Commission's tar reporting system that would halt the reporting of specific tar content numbers entirely.

After winning a court order that temporarily halts FTC's plan to strip Barclay of its 1mg status (AA, June 28), B&W officials let loose a June 9 memo it sent the commission urging that the various cigaret brands be lumped into four tar categories: Ultralow (under 6mg), low (6mg to 10mg), medium (11mg to 15mg) and high (above 15mg).

Barclay, whose eventual tar rating could be changed from 3mg to 7mg if B&W court efforts fail, would have a good shot at qualifying as an ultralow-tar brand under its proposed category system. Since its lower tar competitors would carry the same ultralow designation, the impact of the loss of its 1mg rating would be cushioned.

Meanwhile, however, B&W and FTC are preparing for a July 23 hearing in the U.S. district court in Louisville, the cigaret marketer's home base. The company hopes to convert a temporary restraining order, issued June 25, into a preliminary injunction that will extend the prohibition on FTC action against Barclay while the judge examines the dispute.

B&W attorneys won the temporary restraining order by arguing that FTC had violated its own procedural rules. FTC, the company said, should not have acted without first publishing its decision as a proposed "rulemaking" and inviting public comment. The company also said FTC acted on insufficient evidence.

In its June 9 memo, B&W complained that FTC's present method of reporting tar content, down to hundredths of milligrams in the case of the lowest of low-tar brands, encourages cigaret marketers to "exploit" the testing program and "mislead" consumers.

Brown & Williamson's memo said the current reporting system suggests to consumers that "there is a measurable difference between cigarets of 0.01mg and 0.5mg tar when, in fact, differences that small cannot accurately be measured by the test machine, and [that] tar differences of 1mg or less

(Continued on Page 34)

highlights

Monday, July 5, 1982

Dropping a long-standing taboo, public tv has opened the door for tobacco, liquor and personal hygiene products to be national program underwriters. *See Page 4.*

Three new corporate sponsors sign up with the Public Broadcasting Service for fall. *See Page 4.*

The National Fancy Food & Confection Show begins to cater to those with health concerns, but chocolate lovers need not despair. *See Page 6.*

The Mexican Commerce Secretariat is threatening to pull off the air 34 tv commercials for being "deceitful and not providing enough information." *See Page 6.*

Getting Food & Drug Administration approval for the first bifocal soft contact lens, Ciba Vision Care is waiting until next year to launch its first trade campaign. *See Page 16.*

New developments keep popping up in the unpopped popcorn market. *See Page 18.*

The International Advertising Film Festival in Cannes draws crowds with its image of being the Casablanca of the ad world. *See Page 23.*

The new Jacob Best Premium Light beer campaign breaks out of the life style ad mold, according to Pabst Brewing Co. and its ad agency, McCann-Erickson. *See Page 29.*

The loss of its only international client was almost the last straw for the shaky Paris office of JWT Group's second agency network, Euro-Advertising. *See Page 31.*

Warren Hirsh rides again, this time astride J. Breed Clothing. *See Page 31.*

The "world's most exotic watch strap," made of everything from wild boar to iguana hides, will be more visible this month as maker Hirsch launches a tv campaign. *See Page 33.*

Trying to follow "The Smurfs'" lead, another European cartoon, "Sport Billy," is coming to the U.S. looking for success. *See Page 35.*

Either Canada or the U.S. spends more on advertising as a percentage of gross national product, depending on who is talking. *See Page 35.*

CORPORATE CLOSEUP

New management at Volkswagen of America is re-examining recent policy, since U.S. manufacturing began, and now plans a return to its German heritage. *See Page 4.*

INTERNATIONAL

Grey Advertising takes the second Quebec Council on the Status of Women "Demeritas" prize for its "18-hour bra" 30-second spot in English and French—also its second year of winning the award for the most sexist ad. *See Page 21.*

Outgoing Mexican President Jose Lopez Portillo skips his country's first-ever national ad convention at the last minute. *See Page 21.*

VIDEOTECH

Communications entrepreneur Ted Turner discusses Nielsen data that shows how he is eroding the Big 3 network audiences with his cable programing. *See Page 28.*

MAGAZINE

Flying the not-always-friendly skies, U.S. airline inflight magazines carried more than 10,000 pages of advertising in 1981. While some continue strong this year, others are feeling the over-all economic pinch. *See Page M-2.*

Long misunderstood or ignored, co-op advertising can make one ad dollar do the work of several, co-op expert Robert D. Wilcox explains in a new column. *See Page M-26.*

SPECIAL REPORT

Advertising agencies in Latin America are finding that doing business in a region beleaguered with political unrest, war and triple-digit inflation is both risky and rewarding. *See Page M-5.*

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Paddington liqueur gets heavy ads

By ROBERT RAISSMAN

NEW YORK—Paddington Corp. will introduce a new liqueur, Demi-Tasse, in three markets next month, supported by the heaviest spending a liqueur has ever received in three introductory areas, the company said.

Demi-Tasse will be sold through wholesalers in Southern California, New Jersey and Wisconsin, according to Russ Goyette, brand director at Paddington. The introductory marketing and sales promotion budget is about $1 million.

"We'll get good geographical dispersion in these areas," he said. "We know the distributors we've picked will be able to do the job for us."

Mr. Goyette said Demi-Tasse's competition is the entire cordial market. He said the company has not determined when it will expand into other markets.

■ The drink is a combination of coffee, cream and cognac with a suggested retail price of $17 per bottle. Paddington execs are hoping Demi-Tasse will experience the same success enjoyed by Baileys Original Irish Cream.

Baileys took the Irish liqueur

(Continued on Page 34)

Flying those not-always-so-friendly skies

By Robert Reed

John Q. Businessman uncomfortably shifts in his seat as the airplane hums along at 37,000 feet above ground.

For Mr. Businessman the time has come to kill time. Having completed the day's paper work, exhausted the airline's meager supply of reading material and rejected the chance to watch a movie, he yearns for diversion. Slowly reaching into the seat pocket before him amid the motion sickness bags and used earphones, he retrieves an inflight magazine. Enthralled by its crisp design, provocative articles and panoramic photography, the executive eagerly digests it from cover-to-cover.

Upon arrival, Mr. Businessman phones the home office and decrees: "This inflight magazine is so good that I will never fly any other airline." In addition, he encourages the marketing department to begin advertising in it on a regular basis.

Such are the fantasies of some of the folks who produce inflight magazines. Alas, reality is much different.

"Nobody flies an airline because of the magazine," says Robert Pool, inflight manager for Webb Co., St. Paul, which publishes three inflight books. "But, if we can get a passenger to take it out of the pocket and read it, then we've accomplished the most important part of the job."

"We compete with everything on the plane—from looking out the window to drinking a double martini," says Jack Dunn, executive vp for New York-based East/West Network, the largest inflight publisher with 10 airline books and the *Amtrak Express* for train riders.

There are four major players vying for the passengers' attention and a larger cut of advertisers' budgets. East/West Network and Webb Co. are the two largest, with Miami-based Halsey Publishing, with two magazines, and American Airlines' solo effort bringing up the rear. American is an anomaly in that it is the only major carrier producing an airborne publication inhouse.

Executives of these publishing concerns agree the term "inflight" may still conjure up a generic raft of negative impressions—including the lethal perception the magazines are still primarily the airlines' house organs and have little consumer pulling power. But, they contend, the initial credibility troubles the industry suffered during their formative years of the late 1960s and early 1970s have been put aside.

Yet, as old problems pass, new ones arrive. Included among these are some very strong pockets of advertiser apathy, increased magazine competition and the challenge of taking more editorial risks while still appeasing the client airline, say publishing executives and observers.

Making the skies even bumpier is that all these shifts must come amid an economic climate that has already dismantled Braniff Airlines and promises further assaults on the air travel industry.

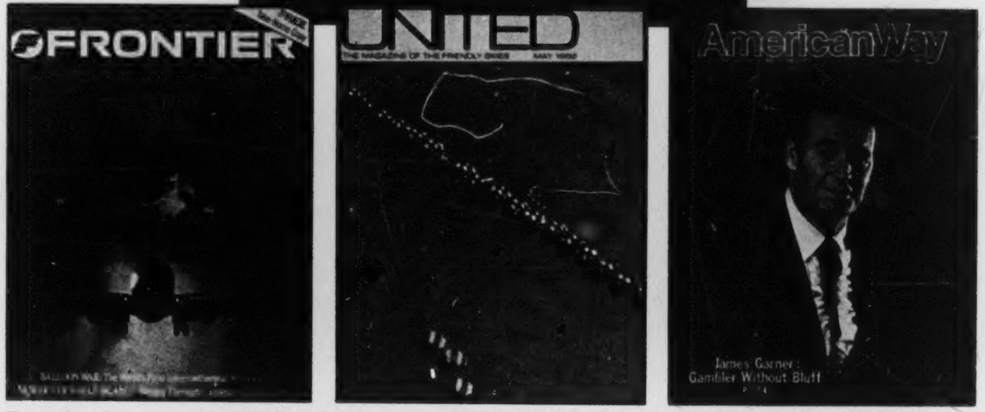
Legend has it that inflight magazines were spawned as a means of threading together the various packets of information and advertising materials that were periodically stuffed in the passenger flight pockets. Coupons, rate cards, flight information and other travel-related data overflowed from the seats, prompting Pan American and United Airlines to conceive the tidy idea of consolidating all materials into one book.

Seeing a chance to tap into a fledgling but potentially lucrative market, publishing executive Jeffrey Butler persuaded officials of San Diego-based Pacific Southwest Airlines (PSA) in 1968 to grant him the contractural rights to produce *California* magazine. Soon, Mr. Butler obtained agreements with United's *Mainliner* and subsequently added Continental Airlines to his inflight roster. Other airlines followed and within a few years the majority of major carriers, including TWA, Eastern and Northwest, contracted with publishers and set forth with their own magazines.

For the airlines it proved to be a no-lose situation—a means of generating extra cash while improving their images with passengers. Then, as now, the contracts called for a number of options. Some publishers agree to produce the magazine at no cost to the airline and in turn receive distribution services and a set audience. Others set up a sliding scale where a certain percentage of the magazine's profits are returned to the carrier.

In the early going, the inking of airline agreements proved to be merely half the publisher's battle because the magazines were greeted, for the most part, with yawns from advertisers. Few media buyers, except those from travel-related industries, were willing to chance their dollars on a magazine segment of dubious editorial quality and unproven advertising worth.

Photo by The Image Bank/Morton Beebe



Frontier ***has a regional editorial flavor, while*** **United** ***and*** **American Way** ***are more national.***

"In the beginning, it was common to hear them labeled as car rental catalogs," says Mr. Dunn, referring to the industry that was initially the magazines' heaviest advertiser.

"In the early days we couldn't even get appointments [with advertisers]," says Bob Halverson, ad manager of Webb's inflights. "Now, they come to us."

Indeed, times are changing. Emerging from adolescence, the magazines shucked their "house organ" status and became slick, general interest monthlies. Now, ad directors boast about "upscale" readership demographics, and editors tout their books as forums for wit and creativity.

The combination of better editorial work and an affluent audience, suspended in the air with time on their hands, is proving to be an effective drawing card, say inflight executives. Still while most of the credibility battle has been won, there are other areas left to conquer.

"Things are better but we still have a way to go toward selling ourselves to the people we want," says James Kennedy, president of East/West and former United public relations officer.

Talk to an inflight executive and be prepared to hear one of the most overworked words in marketing—"upscale." Overemployed or not, the inflight salespeople consider the term to be the spine of their sales pitches. It is also a source of mild animosity between Air Group One, which represents Webb, Halsey and American, and East/West—because both have different ways of gauging their "upscale" audiences. While Air Group One represents those companies, each of their magazines also has a separate sales force and can sell ads on an individual basis.

The demographic profile of a "frequent flyer" reads like a blueprint of corporate America—predominately male, holding managerial positions and affluent, according to research figures supplied by publishing concerns.

Air Group One, according to Mendelson's Media Research's "Spring 1982 Survey of Adults and Markets of Affluence," prints an estimated 1 million copies monthly and yields 4.8 million readers with incomes of more than $40,000. A total of 71% of the readers are males in professional/managerial posts. East/West also prints about 1.3 million copies per month and tallies a monthly readership of 6.6 million, with each copy being read on the average by five persons. A total of 59.6% of the readers are men and 61.1% have incomes of more than $35,000, according to the latest figures from Media Mark Research Inc. (MRI).

East/West management contends that any comparision with Air Group One's numbers should take into account that Mendelson's counts only people in the more-than-$40,000 bracket, while East/West's MRI numbers include all readers—therefore giving a more accurate accounting of the company's total readership. Air Group One says that by keying in on the affluent, it allows for a clearer picture of the market its airlines serve.

Whatever the numbers, both groups have been reaping the benefits of advertising placed by the nation's office supply and computer manufacturers. Each publishing company attributes these combined segments with providing between 50% to 60% of the total revenue take. Xerox Corp., Hewlett-Packard and a bevy of office suppliers advertise in the magazines as they attempt to attract those high-flying readers.

Next come the travel staples of rental car companies and hotels, but from there the advertiser demand begins to taper off. While inflights have made some inroads in attracting the men's fashion business and jewelery companies, these items are relatively new to the landscape.

The list of advertisers not using inflights is more impressive. Liquor, beer, cigaret, automobile and insurance companies are the most glaring absences.

For example, Anheuser-Busch—which would advertise on the humps of camels in the Sahara if it would sell Budweiser—does not schedule a regular inflight buy.

Airline politics is the reason for the cigaret and liquor embargos. Many liquor companies will not advertise on an airline if they know that carrier will be serving a competitor's product and cigaret makers continue to be miffed about nonsmoking areas, according to publishing and ad executives. "We can't buy a cigaret ad, and the same is true for the beer companies," says Hank Thurnhorst, director of advertising for *American Way*. "It doesn't make any sense. I can go on the subway for 90 cents and see a Winston ad but not if I spend a couple hundred dollars to be on an airplane. It would seem people on the plane can afford cigarets the same as the subway rider."

Undaunted, the inflights are stepping up their own marketing salvos. No longer content at jousting with each other both East/West and the Air Group One are taking on business magazines such as *Forbes*, *Barron's* and *Fortune*.

"They are our real competition," says Webb's Mr. Pool. "If any new advertiser buys inflight then it is good for all inflights."

That corporate civility accepted, it should be noted

Robert Reed, an A*DVERTISING* A*GE reporter in Chicago, covers media operations.*

that for a relatively small industry a considerable number of competitive broadsides are hurled.

One recent example is a minor brouhaha over Continental Airline's magazine. Continental, long a client of East/West, apparently jumped to Webb, but the St. Paul-based company dropped the airline before producing its first issue. Webb says the airline's economically unstable condition did not merit the substantial startup costs the magazine would have needed.

East/West's Mr. Dunn contends Continental never signed a contract with its competitor, while Webb's Mr. Pool says not only was a contract signed, but a settlement was reached because of the episode. Whatever the details, Continental's magazine is still printed by East/West.

Such scuffling is minuscule when compared with the contract raids that periodically are conducted between the inflight companies. Publishers jealously guard their holdings while at the same time keeping a wary eye out for any signs that another client airline is becoming disenchanted with its publisher.

"We know the competition has made bids for our magazines and at times we have negotiated for some of theirs," says Mr. Pool. "But you have to be careful. There are some airlines you can't go after because current clients would object." He adds that TWA, a major client, has indicated it would frown if Webb linked up with a carrier with heavily overlapping air routes.

Raiding reportedly hit a zenith in 1980 when publishing powerhouse Ziff-Davis entered the inflight fray. Having already obtained *Pan Am Clipper*, *USAir* and *Republic Scene*, the company began making serious overtures to major clients at East/West and Webb, say executives at both companies.

Ziff-Davis' attacks were rebuffed and ultimately the publishing concern bailed completely out of the segment. Ziff-Davis officials said they abandoned inflights because they did not comfortably fit with the rest of its publishing business.

Competitors have taken Ziff-Davis' explanation a little further, saying the New York-based media concern failed because it was uncomfortable serving a client. Having made a success of its special interest publishing business by totally controlling its products, the company was unable to tailor its decision to serve an airline. Flavoring that dilemma was that Ziff-Davis could not sell its magazines as a package because there was little marketing synergy between the three.

East/West eventually picked up the pieces and acquired the Ziff-Davis properties.

Finally, the financial yield for Ziff-Davis, with annual revenues of about $200 million, was not enough to merit sustaining interest in the market. By contrast, East/West totaled an estimated $20 million in sales last year, down slightly from the previous year, and the inflight group contributed approximately $20 million of Webb's $134 million sales figure for last year.

Another victim of the ailing airline industry is Halsey Publishing, which published Braniff's *Flying Colors*. When Braniff declared bankruptcy May 15, the publishing company had already closed the June issue.

"We had to eat 210,000 copies. They were already printed and distributed but we couldn't bill advertisers so we had to take the loss," says Hal Winter, vp-advertising with Halsey.

The inflight segment has undergone other changes, some cosmetic and others of more substance. A notable change in the inflight business is United Airlines May retirement of the age-old *Mainliner* title in favor of a simple *United* logo. In a way the name switch can be viewed as an interesting barometer of changing times. During the 1930s, the *Mainliner* title was used to promote United's first DC-3 aircraft, which flew the air carrier's first East to West coast routes. Today, "mainliner" is considered a street term for heroin users and not exactly the thought United wants popping out at passengers when they pick up an issue, according to executives of East/West.

That public perception is all-important. Business managers believe a positive public image is the key to keeping the client happy and editors espouse a philosophy that the "warmer" the editorial image the easier it is for the passenger to relate to the magazine.

Warmth can be generated in different ways. While all inflights profess to be of general editorial interest the means each employs is quite different. A layman's guide to inflights could break down into three categories—national, regional and digest forms.

Allowing for some geographical overlap the categories are as follows:

- National books: *United, Pan Am Clipper, Ambassador, Delta Sky* and *American Way*.
- Regional books: *Northwest Orient Passages, Frontier, Ozark, PSA, Republic Scene* and *USAir*.
- Digests: *Continental Extra* and *Eastern Review*.

Editors bristle at the suggestion that the editorial content of all inflight magazines is basically the same. But, while the forum is different, the ideas revolve around many of the same topics with stories on personalities, travel, business trends and those "upscale" life styles adding to the majority of coverage.

What they do they do well. A spot check of recent inflights showcases some professional and insightful work. *United* recently scored with a story on Barbara Proctor, a black advertising executive making gains in Chicago; *Ambassador* countered with a cover profile of Paige Rense, editor-in-chief of *Architectural Digest, Geo* and *Bon Appetit*. *Northwest Passages* opened its pages to a charming pictorial story on Montana, and *Pan Am Clipper* featured an interesting montage on Japan.

Other examples: *Republic Scene's* portrait of Chicago's Second City comedy troupe and *American Way's* report on some Xerox corporate desk jockeys who braved "Outward Bound," a vigorous outing in the wilds.

"We like to surprise readers, give them stories with wit and also educate them about certain developments," says Dave Martin, editor of *Ambassador*, considered by even the competition to be the best of the inflights.

Witty they may be, but hard-hitting and provocative they are not. Inflights are not the forum for tough-minded journalism. They will happily run a profile of a corporate magnet but will never cross-examine and challenge. Instead, the formats provide more softball interviews with chief executive officers and an occasional "pro and con" piece on an issue of the day.

"I find it hard to tell the inflights apart now—they are more homogeneous than in the past, less willing to take a chance," says James Morgan, articles editor with *Playboy* and former editor of *Ambassador*.

"We are not going to do stories that say, 'All lawyers are shysters,' " asserts Fred Smith, East/West editor-in-chief and a former Time Inc. editor. "We don't see a need for it and it's not going to work."

In the final analysis, the airline is the court of last resort and has the right to spike any story. That is rare, but then the editorial perimeters have already been set, and one knows not to go beyond them, say editors.

But one question remains: Have these magazines peaked as advertising and editorial vehicles? Managers and editors do not believe the mountain has been conquered and it is all downhill from here. Although they concede that times are harder and occasionally grouse that new editorial directions are fewer, they believe inflights are poised and ready to blossom.

"The only problem is the airlines. Some don't want a thick book because of the added weight to the plane and the extra fuel that it would consume," says Halsey's Mr. Winter. "But I don't see a cap to the potential—even in today's tougher economic climate." AA

Comparing the largest circulation U.S. inflight magazines

	Publisher	Copies distributed monthly*	B/W page rate	4/C page rate	1981 total ad pages
United Magazine	East/West Network	350,000 (a)	$11,210	$14,905	901
Eastern Review	East/West Network	300,000	9,900	13,200	926
Delta Sky	Halsey Publishing	300,000	8,100	9,700	555
TWA Ambassador	Webb Co.	253,000	7,682	9,602	602
American Way	American Airlines	233,000	6,960	8,590	710
Pan Am Clipper	East/West Network	230,000	7,395	9,985	689
Northwest Orient Passages	Webb Co.	150,000	5,002	7,344	390
Republic Scene	East/West Network	140,000	5,040	6,720	659 (b)
USAir Magazine	East/West Network	140,000	5,040	6,720	581
Continental Extra	East/West Network	80,000	2,880	3,840	613
Frontier Magazine	Webb Co.	75,000	2,553	3,413	435
PSA Magazine	East/West Network	70,000	3,040	4,030	1,062
Western's World (bimonthly) (c)	East/West Network	100,000	3,600	4,800	N/A
Piedmont Pace (bimonthly)	Fisher Harrison Corp. (d)	90,000	4,180	5,520	231

SOURCES: Publishers' statements; Standard Rate & Data Service

*Virtually all circulation of the inflight magazines is unpaid. Figures are in each case the most recent ones supplied by the publisher.

(a) United figure includes 75,000 copies for connecting airlines and Westin Hotels.

(b) Republic Scene was published in two editions until July, 1982. The 1981 ad page figure above was for the Eastern Edition. (The Western Edition had 620 ad pages in 1981.)

(c) Beginning with the July, 1982, issue, Western's World becomes a monthly.

(d) Piedmont Pace is published by Fisher Harrison Corp., Greensboro, N.C. East/West Network is the advertising representative.